FORBES & COMPANY LIMITED

Shapoorji Pallonji

ANNUAL REPORT 2018-19

Marking & Traceability Solution to Two Wheeler Industry as per BS6 Norms

Quality Inspection & Traceability Solution by Scanning & Vision System

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High Speed Drills,
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100th ANNUAL REPORT

FORBES

EUREKA FORBES
Your friend for life

Delivering the promise of health, safety and security to millions of homes and offices in India and across the world based on Trust and Lasting Relationships with our Customers.

Board of Directors

Shapoor P. Mistry	Chairman	
M. C. Tahilyani	Managing Director	
Kaiwan D. Kalyaniwalla	Independent Director	*(upto March 31, 2019)*
D. Sivanandhan	Independent Director	
Jai L. Mavani	Non-Executive Director	
Rani Ajit Jadhav	Independent Director	*(w.e.f. September 1, 2018)*
Nikhil Bhatia	Independent Director	*(w.e.f. May 16, 2019)*

Chief Financial Officer

Nirmal Jagawat

Head Legal & Company Secretary

Pankaj Khattar

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Registered Office

Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
Tel: +91 22 6135 8900
Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
Website: www.forbes.co.in

Debenture Trustee

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001
Tel: + 91 22 4080 7000
Fax: + 91 22 6631 1776

Registrars & Share Transfer Agents

TSR Darashaw Consultants Private Limited
(Formerly known as TSR Darashaw Limited)
Unit: Forbes & Company Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai 400 011
Tel: +91 22 66568484 Fax: +91 22 66568494
Email:csg-unit@tsrdarashaw.com

Hundredth Annual General Meeting of Forbes & Company Limited will be held on Monday, August 26, 2019 at 4.00 pm at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020.

This Annual Report can be accessed at www.forbes.co.in

To support 'green initiative', copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to kindly bring their copies to the meeting.

HUNDREDTH ANNUAL REPORT 2018-19

CONTENTS **PAGES**

NOTICE

NOTICE is hereby given that the Hundredth (100th) Annual General Meeting of the Members of Forbes & Company Limited will be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 on Monday, August 26, 2019 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:

a. the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Auditors thereon.

2. To declare dividend of ₹ 2.50 (25%) per equity share for the Financial Year ended March 31, 2019 and Special Centenary Year Dividend of ₹ 2.50 (25%) per equity share total amounting to ₹ 5.00 per equity share.

3. To appoint a Director in place of Mr. Shapoor P. Mistry (DIN: 00010114), who retires by rotation and being eligible, seeks re-appointment.

SPECIAL BUSINESS

4. Ratification of remuneration to Cost Auditor

To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution:**

"Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), remuneration of ₹ 4.50 lakhs (Rupees Four Lakhs Fifty Thousand Only) plus out of pocket expenses payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2020 be and is hereby ratified and confirmed.

Resolved further that the Board of Directors of the Company (including any duly constituted Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution."

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, May 30, 2019

Registered Office:
Forbes' Building, Charanjit Rai Marg, Fort,
Mumbai 400 001
Tel: +91 22 6135 8900, Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") in respect of Director seeking re-appointment at the meeting is annexed as Annexure to this Notice

2. **A Member entitled to attend and vote at the Annual General Meeting (AGM), is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more that 10% of the total share capital of the Company.

3. **The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, August 20, 2019 to Monday, August 26, 2019 (both days inclusive).**

4. The dividend, if any, that may be declared at the AGM will be paid within the prescribed time to those Members whose names stand on the Register of Members of the Company on August 19, 2019 and in respect of shares in electronic form the dividend will be paid to the beneficial owners of the shares at the end of business hours on August 19, 2019, as per the details provided by the Depositories for this purpose.

   Dividend in respect of shares in dematerialized form shall be credited to the owner's bank account directly through National Automated Clearing House (NACH), wherever, NACH facility is available subject to availability of bank accounts details with 9 digit MICR and 11 digit IFS code. In case the said details have not been provided to concerned Depository Participants or there is any change, the same may be please be intimated to the concerned Depository Participant immediately.

Shareholders holding shares in physical form and desirous of having NACH facility, should provide their bank details and 9 digit MICR and 11 digit IFS code number to the Registrar and Share Transfer Agents of the Company immediately.

5. Corporate members are requested to send to the Company a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.

6. Members are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialised) of any change in their address.

7. Members are requested to update their email address with Depository Participant/Company to enable us to send Annual Report and other communications electronically.

8. Members are requested to bring their Attendance Slip along with their copies of the Annual Report to the AGM.

9. **Members who wish to claim dividend, which remain unclaimed, are requested to either correspond with the Company or the Registrar and Share Transfer Agents, TSR Darashaw Consultants Private Limited, Unit: Forbes & Company Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai 400011.**

The Company has sent reminder on February 19, 2019 to those Members whose dividend is unclaimed requesting them to claim the outstanding dividend. In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF). Accordingly, the Company would be transferring the dividend for the Financial Year ended March 31, 2012 as per statutory timelines. Members are requested to ensure that they claim the dividends referred above, before it is transferred to the said Fund.

Due date for transfer of unclaimed and unpaid dividends declared by the Company for the Financial Year 2011-12 and thereafter to IEPF are as under:

Financial Year ended	Date of declaration of dividend	Due date for transfer to IEPF
March 31, 2012	August 21, 2012	September 25, 2019
March 31, 2013	August 02, 2013	September 6, 2020
March 31, 2017	August 24, 2017	September 28, 2024
March 31, 2018	September 25, 2018	October 30, 2025

Members are requested to send their request for claiming unclaimed dividend atleast 10 (ten) days before the date of transfer of IEPF.

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 25, 2018 (date of last AGM) on the website of the Company, www.forbes.co.in

Members are requested to note that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of such shares becoming due to be transferred to the IEPF. Accordingly, the shares in respect of dividend is unpaid for seven consecutive years would be transferred to IPEF as per the statutory timelines.

In accordance with the IEPF Rules, the Company has sent notices to all the Shareholders whose shares are due to be transferred to the IEPF Authority and has also published newspaper advertisement. The shareholders whose dividend/ shares is/are/will be transferred to the IEPF Authority can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority http://www.iepf. gov.in/IEPF/refund.html

10. The Notice of the AGM along with the Annual Report for the Financial Year 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company /Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

To support the 'Green Initiative', the Members who have not registered their e-mail addressed are requested to register the same with Registrar and Transfer Agents/ respective Depository Participants.

11. Members desiring any additional information/clarification on the Financial Statements are requested to send such requests at the earliest so as to enable the Management to keep the information ready at the AGM

12. E-Voting

I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on Friday, August 23, 2019 (9:00 am) (IST) and ends on Sunday, August 25, 2019 (5:00 pm) (IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Monday, August 19, 2019 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants].The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/
Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

(i) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

(ii) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(iii) How to retrieve your 'initial password'?

a) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

b) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on **"Forgot User Details/Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your Demat account number/folio number, your PAN, your name and your registered address.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting, then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of Company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

B. Other Instructions:

I. The e-voting period commences on Friday, August 23, 2019 at 9.00 a.m. (IST) and ends on Sunday, August 25, 2019 at 5.00 p.m. (IST) (both days inclusive). During this period, Members of the Company, holding shares in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently. (Note: e-Voting shall not be allowed beyond the said time).

II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

III. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Monday, August 19, 2019, as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., NSDL and CDSL. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. Monday, August 19, 2019, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tsrdarashaw.com. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

IV. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

V. Mr. Makarand M. Joshi, Partner, Makarand M. Joshi and Co., Practicing Company Secretaries has been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VI. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

VII. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed at the date of AGM.

ANNEXURE TO NOTICE

Statement Pursuant to Section 102 (1) of the Companies Act, 2013 ("Act")

The following explanatory statement with respect to material facts relating to the special business sets out in the accompanying Notice of Annual General Meeting ("AGM"):

Item No. 4

The Board of Directors have approved the appointment of M/s. Kishore Bhatia & Associates (Firm Registration No. 00294) as cost auditors of the Company at a remuneration of ₹ 4.50 lakhs (Rupees Four Lakhs Fifty Thousend Only) plus out of pocket expenses for the financial year ending March 31, 2020.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 4 of the accompanying Notice.

The Board recommends the passing of this Resolution at Item No. 4 of the accompanying Notice in the interests of the Company.

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary
Mumbai, May 30, 2019

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Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in

Details of Directors whose re-appointment is proposed at the forthcoming Annual General Meeting
[Pursuant to Regulation 36(3) of Securities Exchange Board in India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General meetings (SS-2)]

Name of Director	**Mr. Shapoor P. Mistry**	
Director Identification Number (DIN)	00010114	
Date of Birth	September 6, 1964	
Date of first Appointment	September 3, 2001	
Brief Resume and expertise in specific functional areas	Mr. Shapoor P. Mistry holds B.A (England) in Business and Economics. He is the Chairman of Shapoorji Pallonji and Company Private Limited. Mr. Mistry expertise inter-alia includes advising on Strategy, Growth, Funds Raising and Real Estate.	
Relationships between directors inter-se	Not related to any Director of the Company	
Directorship held in Public Companies and Listed entities	Mr. Shapoor P. Mistry is not a Director of any other Listed Company. Mr. Shapoor P. Mistry is Director of following Public Companies: • Afcons Infrastructure Limited • Eureka Forbes Limited	
Chairmanship/Membership of the Committees of Board (includes only Audit Committee and Stakeholders Relationship Committee) of other Indian Public Companies	Nil	
No. of shares held in the Company	Nil	
Attendance at the Board Meeting in the Financial Year 2018 -19 *	No. of Meetings	Attended
	8	4
Details of remuneration	Except for payment of sitting fees for attending the meetings of the Board and Committee no other remuneration is paid/payable to Mr. Shapoor P Mistry.	

* In Financial Year 2019-2020, 1 (One) Board Meeting has been held till date which was attended by Mr. Shapoor P. Mistry

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary
Mumbai, May 30, 2019

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REPORT OF BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Board of Directors (hereinafter referred to as "the Board") hereby submit the report of the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Results and Highlights of Performance

The Company's performance, as per Indian Accounting Standards (IND AS), during the FY under review is summarized as follows:

₹ in Lakhs

Particulars	Standalone		Consolidated	
	FY 18-19*	*FY 17-18#*	**FY 18-19***	*FY 17-18*
Revenue and Other Income (Total Income)	24,538.81	*30,497.89*	2,89,107.92	*2,85,775.18*
Earnings before Finance Cost, Depreciation, Share of Net Profit of Joint ventures Exceptional Item & Tax	4,157.46	*6,575.63*	18,041.65	*15,908.04*
Share of Net Profit of joint venture	-	-	721.30	*940.66*
Profit / (Loss) after Finance Cost, Depreciation, Share of Net profit of Joint ventures and before Exceptional Items & Tax	2009.73	*4,606.97*	2,120.70	*(411.83)*
Exceptional Items - Income/(Expense)	(970.92)	-	(970.92)	-
Profit before Tax (PBT)	1,038.81	*4,606.97*	1,149.78	*(411.83)*
Profit/(loss) for the year	1,027.19	*4,090.01*	(298.48)	*(3,220.88)*
Other Comprehensive Income/(Loss)	0.64	*2.74*	297.40	*2,719.00*
Total Comprehensive Income	1,027.83	*4,092.75*	(1.08)	*(501.88)*
Earnings Per Share - Basic and Diluted (₹)	7.96	*31.71*	5.47	*(15.27)*

Note: The above figures are extracted from Standalone and Consolidated Financial Statements as per Indian Accounting Standard ("IND AS") and are prepared in accordance with the principles stated therein as prescribed by the Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ("Act") read with relevant rules issued therein.

*These figures have to be read along with the rules of Ind AS 115 "Revenue from Contracts with Customers" which is an accounting standard notified by the Ministry of Corporate Affairs (MCA) effective from April 1, 2018. The application of Ind AS 115 has a substantial bearing on the Company's accounting for recognition of revenue from real estate development projects. This revised standard has no significant impact on the engineering business of the Company.

The Company has applied the modified retrospective approach as on April 1, 2018 and has recorded an opening impact in retained earnings towards the reversal of profits aggregating ₹ 5,083.12 Lakhs (net of tax) in Standalone Financial Statements and ₹ 5,161.67 Lakhs (net of tax) in Consolidated Financial Statements mainly due to real estate project under development. The comparatives have not been restated and hence, the current period figures are not comparable with the previous period figures.

Had the company continued application of earlier standards instead of Ind AS 115, the following line items for FY 2018-19 would have been higher as follows:

(₹ in Lakhs)

Particulars	Standalone March 31, 2019	Consolidated March 31, 2019
Revenue	8,880.18	9,880.84
Changes in inventories of finished goods, work-in progress and stock in trade	(5,195.81)	(5,716.69)
Other Expenses	-	(447.81)
Profit before Tax	(3,684.37)	(3,716.30)
Net Profit after Tax	(2,370.55)	(2,402.49)

Certain indirect costs (e.g. Selling expenses, commission and brokerage, Advertisement and sales promotion, depreciation and other administrative expenses) pertaining to real estate development project for the year ended March 31, 2019 aggregating ₹ 1,200.54 Lakhs has been recognized as an expense in the Statement of Profit and Loss.

The EPS for Standalone pre Ind AS 115 impact would have been ₹ 26.34 per share and for Consolidated would have been ₹ 24.34 per share.

As per IND AS 18/115 on Revenue and the Schedule III of the Companies Act, 2013, revenues from operations for the period July 1, 2017 to March 31, 2018 does not include Goods and Service Tax ("GST"). However, revenues from operations till June 30, 2018 included GST. In view of aforesaid restructuring of indirect taxes, revenues from operations for year ended March 31, 2018 are not comparable.

Management Discussion & Analysis of Financial Conditions, Results of Operations and State of Company Affairs

General Outlook

Forbes is into precision tooling and an engineering services with a wide product portfolio supported by strong brands like TOTEM and BRADMA. We have an attractive customer base who are few of the world's large businesses in their transformational journeys for the last many decades. We are now developing our global presence, deep domain expertise in new industry verticals and a complete portfolio of offerings in the products and services we offer.

The Company leverages all these and its deep contextual knowledge of its customers' businesses to craft unique, high quality, high impact solutions. We are also simultaneously expanding our global footprint further in Eastern and West Europe, few countries in North America and South East Asia.

We are into building our expertise across industries beyond our existing areas of expertise through multiple high quality tooling products and our Industrial Automation service offerings in the areas of assembly lines incorporating technologies for pick and place, lasers, sensors, camera and robotics build on relevant new capabilities through organic talent development. We believe in the philosophy of engaging with customer continually by deeper engagements and we continuously strive to improve our agility and adaptability to change in line with customer expectations. We have been fairly successful in expansion of customer relationships in terms of the products delivered and services consumed.

Our focus on the customers with a clear execution strategy have resulted in high satisfaction levels and long, enduring customer relationships. This has been the cornerstone of our ability and hence we have been able to participate in our customers' growth and transformation initiatives in recent years.

As per various research reports, Global growth is expected to remain at around 3 per cent in the years 2019 and 2020, however, the steady pace of expansion in the global economy masks an increase in downside risks that could potentially exacerbate development challenges in many parts of the world, according to the UN World Economic Situation and Prospects 2019. The global economy is facing a confluence of risks, which could severely disrupt economic activity and inflict significant damage on long-term development prospects. These risks include an escalation of trade disputes, an abrupt tightening of global financial conditions, and intensifying climate risks. In many developed countries, growth rates have risen close to their potential, while unemployment rates have dropped to historical lows. Among the developing economies, the East and South Asia regions remain on a relatively strong growth trajectory, amid robust domestic demand conditions. Beneath the strong global headline figures, however, economic progress has been highly uneven across regions.

Even among the economies that are experiencing strong per capita income growth, economic activity is often driven by core industrial and urban regions, leaving peripheral and rural areas behind.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to be in the range of 7 to 7.5 % over the next few years.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2050, according to a report by Pricewaterhouse Coopers.

India presently is going through a very interesting phase in the political and economic scenario. The political stability now established since May 23, 2019 and given the stated intent, we believe that the Government will now strongly focus on economic development starting with Infrastructure development and India manufacturing focus, thereby creating employment and excellent business opportunities.

As regards Realty division, we expect the Realty sector to grow at faster rate over the next decade. The robust demand due to increasing incomes, urbanization and economic growth are driving residential and commercial realty demand in India. Government of India's aim for "Housing for all by 2022" is driving residential activity, while Real Estate (Regulation and Development) Act, 2016 (RERA) has altered the realty sector that was opaque and oblivious to customer interest and is making this sector more transparent. While RERA has done commendable work in the area of consumer rights protection, it still has a long way to go.

Water Purifiers

The global water purifier market is estimated to register 9.50% CAGR during the forecast period (2018-2025) owing to the escalating issues of contamination according to Market Research Future. Water purifiers are majorly used in the developed regions, while rural areas and semi urban areas still remain untapped. Water purifiers have become a primary necessity for the urban consumers in the developing economies owing to the increased level of water pollution. Moreover, with the increasing level of water pollution along with rapid urbanization & industrialization, the segment is likely to flourish.

As per TechSci Research report, "India Water Purifiers Market Forecast and Opportunities, 2020", underground water in India contains high quantity of dissolved solids and various bacteria and viruses, which render the water unfit for drinking, thus steering demand for water purifiers in the country. Growth in India water purifiers market is anticipated on account of continuous deterioration in water quality, rising health concerns, increasing discretionary income and growing adoption of different water purification technologies.

The report reveals that majority of the demand for water purifiers in India emanates from northern and western regions of the country, owing to high penetration of water purifiers in urban as well as rural parts of these regions. In terms of the technology used, majority of the households in India use gravity based water purifiers. However, due to the rising amount of dissolved solids in the water supply, and expanding middle class population, consumers are graduating to other purification technologies. As a result, the preference for RO purifiers, and combination systems which include more than one technology for water purification is growing.

Company Outlook and Performance

The Company has a tradition of excellence and total customer delight as its singular aim. The main businesses of the Company is Engineering and Realty and through its subsidiaries Transaction Management Solutions, Water Purification, Transportation of Chemical through its owned Ships etc.

The Company's flagship brand, TOTEM positioned as a High Quality Performance Tool Manufacturer competes with multi-nationals and overseas market. Significant investments over the year in strengthening, innovation design and development has started paying off and created impact in domestic and overseas market. Industrial Automation business has ambitious plans for introducing new technologies in line with digital manufacturing and Industry 4.0 solutions

Engineering Division

Precision Tools Group (PTG)

PTG is on aggressive growth path and have delivered profitable 18% Year on Year (YOY) growth. Custom tools & application specific High performance tool portfolio continue to show decent growth and been preferred by many Original Equipment Manufactures (OEMs).

PTG continued to invest in technology and design development with infusion of talent and advance fully automated precision machines. PTG strengthened its carbide tools portfolio for non-automotive segment particularly in aerospace and mining. PTG introduced carbide Taps solution for the first time by any Indian company. PTG introduced many new product lines to expand portfolio to meet international requirement and to be a complete tooling solution company. Tool holders, Nib Taps, Hand tools, HSS drills are new introduction to the tooling portfolio. PTG product development in Solid carbide tools, HSS Taps and Tungsten rotary burrs is focused on Aerospace, Defence, Medical & Oil and Gas segment so as to de-risk from Auto sector.

Export market has been identified as growth driver of PTG & initiated business development in focused geographies which includes Europe, Gulf Co-operation Council (GCC), South East Asia, China, Japan, Israel and North America. Engineering Division participated in international trade shows in USA, Russia, Thailand, Vietnam, Mexico as part of brand building and business development efforts which has given us recognition as high performance tooling company in Aerospace, Power and Railways segments.

Domestic market coverage through distribution has helped PTG's growth across India. Engineering Division participated in many Domestic trade exhibitions, IMTEX (Indian Metal Cutting Tools Exhibitions) and some other regional events to showcase our capabilities.

Margins were under pressure but with kaizen implementation & cost reduction initiative resulted in improved contribution margin. General price increase has been announced in January' 2019 for all products except Carbide tools to cover prices escalation of raw materials in international markets increase, which have been accepted by the market.

PTG will continue to invest in capacity augmentation to meet increased market demand. Initiatives during the year included investment and capacity enhancement in manufacturing HSS drills, HSS Taps & Solid Carbide tools which helped in building volume. Engineering Division initiated to strengthen Supply chain function to create better customer experience and capacity augmentation for standard product portfolio.

Engineering business is now re-certified for ISO 9001-2015 & IATF certification awarded for Spring washer business. TOTEM been recognized as preferred cutting tool Brand By Times Group.

Industrial Automation and Coding Business Group (CBG)

Industrial Automation business has delivered 25% Year on Year (YOY) & could make inroads to non-auto sector automation projects. Large-value automation orders from big non-automotive OEM companies are one of the significant achievements in FY'19 for projects business. The sales funnel is attractive in this area.

Automation business has ambitious growth plan in scaling up existing solution and introducing new technologies in line with digital manufacturing and Industry 4.0 solutions. Engineering Division created design centre in Pune to augment design and technical proposal capabilities. Main focus for FY 19 was organization building in sales, business development, design and project management to support aggressive growth plans for this business.

CBG has built capability to deliver complete Robotic automation cell for machine tending and pick and place. It introduced High speed lasers for non-metal application which created inroads to FMCG sector. Talent attraction and on-boarding are key success factors for automation business and all efforts are on to strengthen this area.

The Engineering division continued to be committed towards Employee development and engagement initiatives, safety and well being through its various initiatives, operations by complying all environmental and safety regulations.

ACE (Adapt Change Excel) change management program will continue to set directions to achieve our vision of being market leader by providing innovative solution. Two elements to ACE initiative Speed and Lean were added which will provide growth and sustenance. We added agility for current year which will build organization capability to suit economic environment.

Consolidation of products portfolio will help company to achieve cost advantages and better customer service.

Project Vicinia, Chandivali

The Company believes that the demand for Real Estate in our country would remain strong. Project Vicinia being the first venture of the Company in Realty Segment has received good response. The real estate development under "Project Vicinia" at Chandivali, Mumbai were carried as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011.

During the current year, VRIL delayed payments to vendors for Project Vicinia and to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently the matter was referred to arbitration and vide the arbitration award dated February 25, 2019, the Company was directed to pay an amount of ₹ 15,300 Lakhs to VRIL for restitution and the aforesaid amount was paid on March 2, 2019.

The Company entered into a Business Transfer Agreement (“BTA”) with Paikar Real Estates Private Limited (a fellow subsidiary) dated February 27, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where-is basis as a going concern for ₹ 15,500 Lakhs. The aforesaid transaction was approved by the shareholders at Extra Ordinary General Meeting held on March 29, 2019.

The real estate development of Project Vicinia at Chandivali is registered under Maharashtra Real Estate Regulatory Authority and is expected to be completed by June’ 2021.

Eureka Forbes Limited & its Subsidiaries (Collectively ‘EFL’)

EFL has been a trend setter and leader in all its businesses. In a year that witnessed its fair share of highs and lows, EFL continued to lead within its categories across channels. This competitive spirit will continue to increase and as leaders, EFL will continue to anticipate, innovate and stay ahead of its competition.

Key Priorities:

- Customer-centric Organization
- Omni-Channel presence mirroring customer journeys
- Agile, Responsive, fit for purpose organization
- Employer of Choice
- Step jump in capabilities: Digital, Analytics, GTM, Sourcing
- Category leadership in large, profitable spaces, 2-3 bets in fast growing spaces
- Go-to-Market effectiveness
- Lean Organization Structure
- Higher share of sales from referrals, with end to end tracking of leads and referrals
- Increased average value Realization, with value based pay for performance
- Performance oriented organization with best in class span of control
- Partner channel engine for growth
- Execution rigour and data driven decisions, coupled with right capabilities to drive growth

Armed with the state-of-the-art products for all brands, EFL continued to steer its actions to fall in line with its principles of competitiveness, growth and profitability. EFL sustained to drive innovation across brands, categories, operations and adapted the go-to-market strategies, taking into account the diversity, market needs, and the evolving channels of distribution.

EFL is harnessing technology, mobile connectivity to build leading edge operational and marketing capabilities. It is indeed helping EFL to engage and be in constant touch with its people on real time basis through mediums such as ‘Eureka TV’ and ‘Microsoft Kaizala’. EFL continued to lead the digital transformation within and leveraged its Direct Sales capabilities to drive competitive advantage. EFL grew in the fast emerging e-commerce channel supported by Eurochamps and its Retail and Institutional efforts to assist the customers across the length and breadth of India continued.

Most importantly, EFLs brands and operations continued to be held together by its firm belief/ purpose to be ‘Friend for Life’. EFL takes pride in sharing few achievements of its community fulfilment division which has been working relentlessly and has successfully executed 101 projects which are serving communities with a beneficiary base of over 90,000 people across India.

Forbes Technosys Limited (FTL)

During the year under review, FTL focused on consolidation and re-organisation and on creating a foundation that will make FTL fit for scale and set the stage to embark on the path of profitable and sustainable growth. There were pressures on revenue growth during the year due to stress and muted demand in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom. Heightened competition and entry of several local players in the e-payments space put pressures on margin as well.

The FY 2018-19 was a year of rationalization for FTL across its business verticals and product range in a challenging business environment. Business from key verticals such as Banking, Telecom and Government slowed down as these segments faced challenges of their own, such as NPAs, non-availability of capital and slow progress on key initiatives.

However, there are other segments such as retail, healthcare and hospitality that are under penetrated and have significant potential for FTL product offerings.

Forbes Xpress, FTLs e-payments services platform, continued to grow both in terms of scale, franchisee numbers and geographic presence. During the year, several measures were initiated on the technology and service basket fronts, to make the platform even more robust, scalable and differentiated from competition.

FTL has also chosen to embrace design-led product innovation for entering new market segments, in addition to realizing production and service efficiencies through standardization and modular designs. These investments will help FTL in addressing emerging opportunities in domestic and international markets in the near future.

The self-service automation market in India is expected to grow at a rapid pace in the next 3-5 years, across various verticals such as BFSI, Retail, Transport Hospitality and Government. Many of these segments are highly under penetrated and highly fragmented.

In the banking segment, kiosk banking is being made an integral part of the banks’ digital programs. Given the nation-wide push for providing insurance and financial services to all citizens, the insurance and mutual fund segments have already started either implementing or exploring kiosks as a means to expand presence and reaching the last mile.

Self-service kiosks are also an integral part of several Government initiatives such as smart cities and delivery of Government to Citizen services under Digital India program.

The retail segment is increasingly looking at ways and means to attract customers, through enhanced user experiences delivered via innovative technologies such as Augmented Reality and Virtual Reality enabled self-service platforms.

The transit segment also is showing a lot of potential for self-service ticketing systems, on the back of the new metro rail projects being implemented across the country and the modernization program of traditional railways.

In the e-Payments business, FTL is already in the process of adding several additional services, such as Aadhaar enabled payment system (AEPS), micro-insurance, micro-credit, ticketing for state road transport etc.

There is also a pressing need for cash collection points for segments such as BFSI and e-Commerce, where the company's franchisee network can serve as the extended arm of organizations, especially in remote areas. Not only will these additional services give a significant boost to transaction volumes, but will also enhance franchisee stickiness. The franchisee network has also grown rapidly and FTL plans to expand the network significantly in the tier 2 cities and beyond in the coming year.

With the combination of positive market developments and initiatives that FTL has taken, the business is poised for profitable growth across all segments in the coming years.

Shapoorji Pallonji Forbes Shipping Limited (SPFSL, formerly SCI Forbes Limited)

SPFSL currently owns 5 specialized chemical tankers with a total dwt capacity of 73,424 mt. These 5 vessels are foreign going Indian flag ships making SPFSL the only company in India that owns chemical tankers. SPFSL is committed to the safe and efficient transportation of chemical cargoes for all its customers and partners. All the five vessels maintain approvals from Oil Majors including Shell, Exxon, Chevron, BP and Total for carrying their products.

Earnings in FY 2018-19 were affected adversely due to increase in supply of ships, increase in fuel prices and uncertainty in geo-political scenario. The fleet grew by about 3% in 2018 whereas the seaborne trade continued to grow at 4% y-o-y. Poor market of bigger vessels also had a cascading effect on smaller tonnage however, the volatility in the chemical trade remained low.

With a sharp decline in the new build deliveries in 2019 onwards and continued growth in seaborne chemicals trade, the markets are expected to tighten up and give potential rise to the freight earnings.

Forbes Bumi Armada Limited (FBAL)

FBAL maintains qualified and experienced manpower which continues to provide quality manning services to Floating Production Storage and Offloading (FPSO) Business located in Mumbai High. The manning team has brought laurels to the Company by maintaining both the FPSO with zero loss time injury (LTI) and 100% commercial uptime. Manpower resource of company are delivering international standard services to client maintaining top notch Health Safety and Environment (HSE) records.

Assets of The Svadeshi Mills Company Limited (Svadeshi)

The Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Company is exploring options available.

Financial Performance

The Consolidated Financial Statements of the Company and its subsidiaries, its joint ventures and associate companies are prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Companies Act, 2013. The Notes to Consolidated Financial Statements are disclosed and forms part of the Consolidated Financial Statements.

Segment wise performance

The summarized performance of segment revenues and segment results is as under:

₹ in Lakhs

Particulars	**Segment Revenue**		**Segment Results**	
	FY 18-19	*FY 17-18*	**FY 18-19**	*FY 17-18*
Health, Hygiene, Safety Products and its services	**2,38,843**	*2,31,771*	**5,754**	*2,940*
Engineering	**20,913**	*18,597*	**2,673**	*2,357*
Real Estate	**1,919**	*11,247*	**333**	*4,557*
IT Enabled Services and Products	**12,385**	*13,161*	**4,838**	*101*
Shipping and Logistics Services	**11,414**	*8,103*	**207**	*24*
Others	**33**	*102*	**(31)**	*(95)*

Key Financial performance, Operational Information and Ratio Analysis

Key Ratios/ Indicators	Standalone		Explanation for change of 25% or more
	FY 2018 -19	FY 2017-18	
Debtors Turnover (in days)	66	47	The increase in days is mainly due to inclusion of revenues of Project Vicinia and its early collection in the FY 2017-18. For the current year, this represents the debtors other than Project Vicinia. This change was required due to implementation of IND AS 115.
Inventory Turnover * (times)	5	3	
Current Ratio	0.78	1.27	Increase in Current Liabilities on account of Current Maturities of Long term borrowings
Debt Equity Ratio	0.50	0.36	Reduction in equity of ₹ 5083.10 Lakhs from opening reserves due to implementation of IND AS 115.
Interest Coverage Ratio	2.82	4.51	The change is due to inclusion of profit of Project Vicinia in the FY 2017-18. For the current year, this represents the profit other than Project Vicinia. This change was required due to implementation of IND AS 115.
Operating Profit Margin %	6%	17%	
Net Profit Margin %	5%	14%	
Return on Net Worth	4%	15%	

*Inventory excludes Real Estate Inventory, as corresponding revenue is accounted as per IND AS 115 in the FY 2018-19.

Key Ratios/ Indicators	Consolidated		Explanation for change of 25% or more
	FY 2018 -19	FY 2017-18	
Operating Profit Margin %	2%	2%	Increase in profit of Health, Hygiene and Safety Segment.
Net Profit Margin %	0%	-1%	
Return on Net Worth	-1%	-7%	

Revenue

During the year, standalone revenues decreased to ₹ 22,727.58 Lakhs *(previous year ₹ 29,743.91 Lakhs)* mainly due to reduction in Real Estate segment revenue due to adoption of IND AS 115. Consolidated revenues increased to ₹ 2,85,341.89 Lakhs *(previous year ₹ 2,82,770.94 Lakhs)* mainly due to increase in revenue from Health, Hygiene, Safety segment.

Earnings Before Interest, Depreciation, Taxation and Amortization ("EBIDTA")

During the year, standalone EBIDTA decreased to ₹ 3,186.54 Lakhs *(previous year ₹ 6,575.63 Lakhs)* mainly due to reduction in Real Estate segment earnings due to adoption of IND AS 115. Consolidated EBIDTA increased to ₹ 17,792.03 Lakhs *(previous year ₹ 16,848.70 Lakhs)* mainly due to increase in earnings of Health, Hygiene, Safety segment.

Profit Before Tax ("PBT")

During the year, standalone PBT decreased to ₹ 1,038.81 Lakhs *(previous year ₹ 4,606.97 Lakhs)* mainly due to reduction in Real Estate segment profit due to adoption of IND AS 115. Consolidated PBT increased to ₹ 1,149.78 Lakhs *(previous year ₹(411.83) Lakhs)* mainly due to increase in profit of Health, Hygiene, Safety segment.

Fixed Assets

The standalone year-end Gross Block increased to ₹ 11,409.50 Lakhs *(previous year ₹ 10,010.93 Lakhs)* mainly due to additions to property, plant and equipments. The consolidated year-end Gross Block increased to ₹ 96,278.32 Lakhs *(previous year ₹ 92,710.55 Lakhs)* mainly due to additions to intangible assets computer softwares for IT Enabled Segment.

Profit/(Loss)

During the year, standalone profit decreased to ₹ 1,027.19 Lakhs *(previous year ₹ 4,090.01 Lakhs)* mainly due to reduction in Real Estate segment profit due to adoption of IND AS 115. Consolidated loss decreased to ₹ (298.47) Lakhs *(previous year ₹ (3,220.88) Lakhs)* mainly due to increase in Health, Hygiene, Safety segment profit.

Current Liabilities

The standalone current liabilities increased to ₹ 44,190.39 Lakhs *(previous year ₹ 15,973.00 Lakhs)* primarily due to Advance from Customer of Real Estate – IND AS 115 impact. The consolidated current liabilities increased to ₹ 1,74,541.85 Lakhs *(previous year ₹ 1,40,539.59 Lakhs)* primarily due to Advance from Customer of Real Estate – IND AS 115 impact.

Loan Funds

During the year, standalone loan funds increased to ₹ 17,002.19 Lakhs *(previous year ₹ 16,869.91 Lakhs)* registering marginal increase in long term borrowings and consolidated loan funds decreased to ₹ 1,06,949.46 Lakhs *(previous year ₹ 1,18,944.36 Lakhs)* primarily on account of repayment of borrowings by EFL.

Opportunities and Risks

Our success as an organization depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the key risks, anticipated impact on the Company and mitigation strategy is as follows:

- **Market Development**

  Your Company monitors external market trends and collates consumer insights to develop category and brand strategies.

  The Company actively searches for ways to translate the trends in consumer preferences and tastes into new technologies for incorporation into future products. We develop product ideas both in-house and with selected partners to enable us to respond to rapidly changing consumer trends with speed.

- **Political and Global Uncertainty**

  Political uncertainty or volatile economic uncertainty may adversely affect the reduced demand and could restrict revenue growth opportunities.

  The Company has broad based diversified businesses catering to various industry segments and diverse markets and hence may not get affected by these uncertainties.

- **Legal and Regulatory**

  Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment and taxes.

  Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance.

  We closely monitor and review our practices to ensure that we remain complaint with relevant laws and legal obligations.

- **Systems and Information**

  Your Company's operations are increasingly dependent on IT systems and the management of information.

  Increasing digital interactions with customers, suppliers and consumers place even greater emphasis on the need for secure and reliable IT systems and infrastructure, and careful management of the information that is in our possession.

  The cyber-attack threat of unauthorised access and misuse of sensitive information or disruption to operations continues to increase.

  To reduce the impact of external cyber-attacks impacting our business, we have firewalls and threat monitoring systems in place, complete with immediate response capabilities to mitigate identified threats. Our employees are trained to understand these requirements.

Internal control systems and their adequacy

The Company has an internal control system, which ensures that all transactions are recorded satisfactorily and reported and that all assets are protected against loss from unauthorized use or otherwise. The internal control systems are supplemented by an internal audit system carried out by a team under the direct supervision of the Head of Internal Audit. The findings of such internal audits are periodically reviewed by the management and suitable actions taken to address the gaps, if any. The Audit Committee of the Board meets at regular intervals and addresses significant issues raised by both the Internal Auditors and the Statutory Auditors. The process of internal control and systems, statutory compliance, information technology, risk analysis and risk management are inter-woven to provide a meaningful support to the management of the business.

Price Waterhouse Chartered Accountants LLP, the statutory auditors of the Company have audited the financial statements included in this annual report and have issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

Material Development in Human Resources and Industrial Relations

The major thrust during the year was in Talent Acquisition, Talent Management, Performance Management and helping the business drive performance, Identifying and nurturing high potential talent from a Career Management, Succession perspective and Training Interventions - both in technical and behavioural domains. The talent acquisitions were to bolster Company's expansion plans in the Automation business, Engineering Capabilities like Design and new areas like Hand Tools. A major Training intervention was commenced for 'Value Selling' covering the entire Sales, Marketing and Project Staff which will continue over different modules in the new year.

Employee Relations continued to be harmonious with the Long Term Settlement discussions in progress with the union at Waluj, the major focus of which is increase in productivity and efficient practices.

Investment in Subsidiaries

During the year under review, the Company invested ₹ 1,000 Lakhs in Preference Shares of Forbes Technosys Limited, a wholly owned subsidiary of the Company. The Company has also invested ₹ 2,505 Lakhs during the year in equity shares of Eureka Forbes Limited, a wholly owned Subsidiary of the Company.

Subsidiaries/ Associates /Joint Ventures

During FY 2018-19 the following companies have become or ceased to be subsidiaries, joint ventures or associates.

Name of Company	Nature of Relationship
Aquaignis Technologies Pvt. Ltd	An Joint Venture of Eureka Forbes Limited has become a wholly owned subsidiary of Eureka Forbes Limited with effect from June 13, 2018.
Aquadiagnostics Water Research & Technology Centre Ltd	A wholly owned subsidiary of Eureka Forbes Limited ceased to be a subsidiary with effect from June 25, 2018.
Forbes G4S Solutions Pvt Ltd	Ceased to be Joint Venture of Eureka Forbes Limited with effect from May 10, 2018.
Forbes International AG	A wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) merged with Lux International AG with effect from March 23, 2018.
Lux Professional International Gmbh	A wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) merged with Lux International AG with effect from March 23, 2018.
Lux Aqua Czech s.r.o	Ceased to be subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) with effect from April 30, 2018.
Lux Aqua Hungary KFT	Ceased to be subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) with effect from April 30, 2018.

Details of subsidiaries, associate companies and joint venture companies are set out in the statement in Form AOC-1, pursuant to Section 129 of the Companies Act, 2013 (“Act”) and, is attached, herewith, as Annexure “I”. Financial Statements of these subsidiaries are available for inspection at the registered office of the Company and that of the subsidiary company concerned and the same would be also available on the website of the Company, www.forbes.co.in

Dividend and Transfer to Reserves

Your Directors are pleased to recommend for the approval of the Members a dividend of ₹ 2.50 per equity shares *(previous year: ₹ 2.50)* and an additional Special Centenary Year Dividend of ₹2.50 (25%) per equity share. The dividend, if approved by the Members would involve a cash outflow of ₹ 777.50 lakhs including dividend tax *(Previous Year ₹ 388.75 lakhs)*. In accordance with SEBI (Listing Obligations and Disclosure Regulations), 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is annexed as Annexure “II”. The policy is also available on the website of the Company, www.forbes.co.in

The Company proposes to retain the entire balance amount of ₹ 3,433.25 Lakhs *(Previous Year ₹7,877.29 lakhs)* in the Profit & Loss Account.

Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2019 was ₹1,289.86 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights or ‘sweat equity shares’ and has not granted any stock options. As on March 31, 2019 none of the Directors of the Company hold shares or convertible instruments of the Company.

Finance

The Company continues to focus on judicious management of its working capital. Relentless focus on receivables, inventories, strict cost control and, use of alternative borrowing instruments has helped in keeping the borrowings and effective interest cost under control.

- **Redeemable Non-convertible Debentures**

  The Non- Convertible Redeemable Debentures (NCDs) aggregating to ₹4,000 Lakhs were outstanding during the year ended March 31, 2019.

- **Deposits**

  The Company has not accepted deposits from public falling within the ambit of Section 73 of the Act and The Companies (Acceptance of Deposits) Rules, 2014. Unclaimed matured deposits were transferred to Investor Education and Protection Fund as per the provisions of the Companies Act, 1956 / 2013.

Particulars of loans, guarantees and investments

Particulars of Loans, Guarantees and Investments covered under provisions of section 186 of the Act are given in the notes to the Financial Statements.

Related Party Transactions

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. There were no material related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis. Form AOC-2 is annexed as Annexure ‘III’ to this report, pursuant to Section 188 of the Act. The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website.

Vigil Mechanism/Whistle Blower Policy

The Company has Whistle Blower Policy/Vigil Mechanism to deal with instances of fraud and mismanagement, if any. The Policy is also available on the website of the Company.

Internal Complaints Committee

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace as per with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Compliants & Committee (ICC) has been setup to redress complaints received regarding sexual harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the ICC includes external member. During FY 2018-19, no complaints on sexual harassment were received.

Corporate Governance and Management Discussion and Analysis

The guiding principle of the Code of Corporate Governance is 'harmony' i.e. balancing the need for transparency with the need to protect the interest of the Company and balancing the need for empowerment at all levels with the need for accountability. A detailed report on Corporate Governance forms part of Annual Report. The 'Management Discussion and Analysis' forms part of this report.

Corporate Social Responsibility (CSR)

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects, as and when required, that are replicable, scalable and sustainable with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

The Company during the FY 2018-19 undertook infrastructure funding project and committed and earmarked funds for partial reconstruction of school building. The said projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013.

The Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is annexed as Annexure IV to this report.

Risk Management

The Board of Directors of the Company has formed a Risk Management Committee for identification, evaluation and mitigation of external and internal material risks. The Committee shall establish a framework for the company's risk management process and to ensure its implementation. The Committee shall periodically review the risk management processes and practices of the Company and establish procedures to mitigate risks on a continuing basis.

Significant and Material Orders Passed By the Regulators or Courts

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

Directors and Key Managerial Personnel

As per provisions of Section 152(6) of the Act, Mr. Shapoor P. Mistry is due to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommend his re-appointment as Director of the Company.

Ms. Aslesha A. Gowariker, an Independent Director of the Company on account of her other professional commitments tendered her resignation with effect from June 12, 2018.

Ms. Rani Ajit Jadhav was appointed as an Independent Director of the Company for a period of three years with effect from September 1, 2018.

Mr. Kaiwan D. Kalyaniwalla, an Independent Director of the Company on account of his other professional commitments tendered his resignation with effect from the close of business hours of March 31, 2019.

Mr. Nikhil Bhatia has been appointed as an Additional and Independent Director of the Company with effect from May 16, 2019. The appointment is for a period of 5 years subject to approval of Shareholders, which is being sought through Postal Ballot.

Based on the recommendations of the Nomination and Remuneration Committee and subject to approval of the shareholders, the Board of Director approved the re-appointment of Mr. D Sivanandhan as an Independent Director for second term of 5 years commencing from August 6, 2019.

The Board places on record its appreciation for the invaluable services rendered by Ms. Gowariker and Mr. Kalyaniwalla to the Board and the Company during their tenure as Members of the Board/Committees of the Board.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under the Act and SEBI (LODR), 2015 and there has been no change in the circumstances which may affect their status as Independent Directors during the year.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees for attending meetings of Board/ Committee of the Company.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company through induction programmes at the time of their appointment as Directors and through presentations made to them from time to time. The details of familiarization programmes conducted have been hosted on the website of the Company and can be accessed at www.forbes.co.in

Audit Committee of the Board of Directors

The details pertaining to the composition of the Audit Committee of the Board of Directors are included in the Corporate Governance Report which forms part of this report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR), 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as, the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship Committees.

The performance of the Board was evaluated by the Board after seeking feedback from all the Directors on the basis of the parameters/criteria, such as, degree of fulfillment of key responsibility by the Board, Board Structures and Composition, establishment and delineation of responsibilities to the Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics and quality of relationship between the Board and the Management.

The performance of the committees viz. Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility and Stakeholders Relationship Committee was evaluated by the Board after seeking feedback from Committee members on the basis of parameters/criteria such as degree of fulfillment of key responsibilities, adequacy of committee composition, effectiveness of meetings, committee dynamics and, quality of relationship of the committee with the Board and the Management.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of self- assessment questionnaire and feedback/inputs from other Directors (without the concerned director being present).

In a separate meeting of Independent Directors, the performance of Non-Independent Directors of the Board as a whole and the performance of the Chairman were evaluated.

Remuneration Policy

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, senior management personnel and their remuneration. Remuneration Policy of the Company acts as a guideline for determining, inter alia, qualification, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of the performance of the Director, Key Managerial Personnel and senior managerial personnel. Nomination and Remuneration Policy is annexed as Annexure "V" to this report.

Disclosure as required under Section 197 (12) of Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as Annexure 'VI' to this Report.

Meetings of the Board

The Board met at least once in each quarter and 8 meetings of the Board were held during the year and the maximum time gap between two Board meetings did not exceed the time limit prescribed in the Act. The details have been provided in the Corporate Governance Report.

Directors' Responsibility Statement

Pursuant to the provisions of Section 134(5) of the Act, the Directors, based on the representations received from the operating management, confirm that:

(i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 FY and of the profit or loss of the Company for that period;

(iii) they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and detecting fraud and other irregularities;

(iv) they have prepared the annual accounts on a going concern basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Auditors and Audit Report

Statutory Auditors

Pursuant to the provisions of section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Price Waterhouse Chartered Accountants LLP (PWC) (ICAI Firm Registration No.012754N/N500016) were appointed as the Statutory Auditors of the Company for a term of 5 years till the conclusion of 103rd Annual General Meeting of the Company.

The Audit Report forms part of the Annual Report. The Auditors have referred to certain matters in their report on Financial Statements to the shareholders, which read with relevant notes forming part of the accounts, is self - explanatory.

Cost Auditors

As per the requirements of Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014, the cost accounts of the Engineering Division and Project Vicinia of the Company are required to be audited by a Cost Accountant. The Board of Directors of the Company have, on the recommendation of the Audit Committee, appointed Kishore Bhatia & Associates, Cost Accountants, as Cost Auditors for the FY 2019-20 on a remuneration of ₹ 4.50 Lakhs plus out of pocket expenses. As required under the Companies Act, 2013, necessary resolution seeking members' ratification for the remuneration to the Cost Auditor is included in the Notice convening the Hundredth Annual General Meeting of the Company.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Makarand M. Joshi & Co, a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Auditor is annexed herewith as Annexure 'VII'.

The Secretarial Audit Report Does not Contain any qualification, reservation or adversed remark or disclaimer.

The Secretarial Audit of Eureka Forbes Limited, (Material Subsidiary) for the FY 2018-19 was carried out pursuant to Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. The Report of the Secretarial Auditor of Eureka Forbes Limited does not contain any qualification, reservation or adverse remark or disclaimer.

Particulars of Employees and Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

(a) The information required pursuant to Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136 of the Act, the Report and Accounts are being sent to the Members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on working days of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

(b) Information relating to the Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith as Annexure 'VIII'.

Extract of Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9, as per the provisions of the Companies Act, 2013 and Rules thereto is annexed herewith as Annexure 'IX' and forms part of this Report. The said extract is also available on the website of the Company viz. www.forbes.co.in.

Business Responsibility Report

A separate section on Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Cautionary Statement

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply, input costs, availability, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

Acknowledgements

Your Directors acknowledge and thank all stakeholders of the Company viz. customers, members, employees, dealers, vendors, banks and other business partners for their valuable sustained support and encouragement. Your Directors look forward to receiving similar support and encouragement from all stakeholders in the years ahead.

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2019

ANNEXURE "I"
FORM AOC-I
[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
PART "A" SUBSIDIARIES

	Name of Subsidiary	Aquaignis Technologies Private Limited	Campbell Properties & Hospitality Services Limited	Eureka Forbes Limited	EFL Mauritius Limited			Euro Forbes Financial Services Limited	Euro Forbes Limited Dubai			Forbes Bumi Armada Limited	Forbes Campbell Services Limited	Forbes Enviro Solutions Limited	Forbes Facility Services Private Limited	Forbes Lux FZCO		
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019			March 31, 2019	December 31, 2018			March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	December 31, 2018		
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	EUR	Rate	₹ In Lakhs	₹ In Lakhs	in USD $	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	in USD $	Rate	₹ In Lakhs
						AVG				**AVG**							**AVG**	
(a)	Share Capital	585.57	48.75	377.80	287.20	73.93	21,234.26	5.00	276.97	66.50	18,418.67	550.00	5.00	282.73	100.00	289.40	67.09	19,414.27
(b)	Reserves & Surplus	* (240.68)	132.14	20,386.28	* (85.26)	48.47	* (4,132.03)	* (2.59)	* (352.44)	67.13	* (23,659.66)	727.81	13.61	* (217.48)	890.50	* (384.24)	67.67	* (26,000.02)
(c)	Total Assets ◣	495.47	183.46	1,37,305.44	206.31	84.54	17,441.65	2.53	142.83	69.44	9,918.08	2,547.82	21.93	1,412.16	5,505.07	60.77	69.44	4,219.71
(d)	Total Liabilities	150.58	2.57	1,16,541.36	4.36	77.76	339.41	0.12	218.31	69.44	15,159.06	1,270.01	3.33	1,346.91	4,514.58	155.61	69.44	10,805.46
(e)	Investments	-	-	29,747.38	204.46	84.60	17,297.91	-	-	-	-	1,093.63	-	-	-	-	-	-
(f)	Turnover	617.33	11.30	1,84,227.86	-	-	-	-	-	-	-	5,437.92	33.15	2,592.51	17,750.40	27.19	68.72	1,868.47
(g)	Profit before Taxation	(39.65)	(0.72)	(28,454.58)	(0.11)	80.22	(8.81)	(0.05)	(293.50)	67.15	(19,707.90)	256.93	2.31	(75.81)	865.63	(11.33)	68.26	(773.16)
(h)	Provision for Taxation	-	(0.19)	1,910.02	-	-	-	-	-	-	-	33.38	0.59	(6.26)	258.09	-	-	-
(i)	Profit after Taxation	(39.65)	(0.53)	(30,364.60)	(0.11)	80.22	(8.81)	(0.05)	(293.50)	67.15	(19,707.90)	223.55	1.72	(69.55)	607.55	(11.33)	68.26	(773.16)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100	100	100	100			100	100			51.00	98.00	100.00	100.00	100		

ANNEXURE "I"
FORM AOC-I
[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
PART "A" SUBSIDIARIES

	Name of Subsidiary	Forbes Lux International AG			Forbes Technosys Limited	Forbes Campbell Finance Limited	Lux International AG			Lux Deutschland GmbH			Lux Del Paraguay S.A.			Lux Auqa Paraguay S.A.		
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	December 31, 2018			March 31, 2019	March 31, 2019	December 31, 2018			December 31, 2018			December 31, 2018			December 31, 2018		
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	CHF	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	CHF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	PYG	Rate	₹ In Lakhs	PYG	Rate	₹ In Lakhs
(a)	Share Capital	710.00	66.01	46,869.43	2,689.72	386.41	195.00	66.84	13,033.78	71.53	84.96	6,077.19	50,000.00	0.01	558.50	1,000.00	0.01	11.58
(b)	Reserves & Surplus	* (275.44)	93.08	* (25,638.35)	* (130.77)	4,549.13	* (45.98)	54.80	* (2,519.85)	* (58.24)	86.20	* (5,020.84)	* (15,370.29)	0.01	* (160.95)	* (16,409.40)	0.01	* (188.48)
(c)	Total Assets ◣	827.85	59.16	48,979.34	23,934.24	5,356.26	447.24	70.55	31,554.07	88.72	79.46	7,049.86	3,11,377.77	0.01	3,574.62	26,994.20	0.01	309.89
(d)	Total Liabilities	393.29	70.55	27,748.27	21,375.29	420.72	298.21	70.55	21,040.14	75.42	79.46	5,993.50	2,76,748.07	0.01	3,177.07	42,403.60	0.01	486.79
(e)	Investments	781.12	58.48	45,682.26	-	5,124.66	337.18	70.55	23,789.17	-	-	-	-	-	-	-	-	-
(f)	Turnover	-	-	-	12,385.34	6.00	-	-	-	115.45	80.76	9,323.72	2,87,955.40	0.01	3,369.08	6,679.69	0.01	78.15
(g)	Profit before Taxation	(3.27)	70.25	(229.84)	10.86	(35.75)	(10.54)	70.25	(740.36)	(22.04)	80.76	(1,780.00)	(15,885.76)	0.01	(185.86)	(8,757.43)	0.01	(102.46)
(h)	Provision for Taxation	(1.85)	70.25	(130.23)	-	-	0.14	70.26	9.88	(0.01)	81.25	(0.78)	1,482.91	0.01	17.35	-	-	-
(i)	Profit after Taxation	(5.13)	70.25	(360.07)	10.86	(35.75)	(10.68)	70.25	(750.24)	(22.03)	80.76	(1,779.22)	(17,368.66)	0.01	(203.21)	(8,757.43)	0.01	(102.46)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100			100.00	100.00	100.00			100			100			90		

ANNEXURE "I"
FORM AOC-I
[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" SUBSIDIARIES

	Name of Subsidiary	Lux Hungaria Kereskedelmi Kft			Lux Italia srl			Lux Norge A/s			Lux Osterreich GmbH (Austria)			Lux Schweiz AG		
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	December 31, 2018			December 31, 2018			December 31, 2018			December 31, 2018			December 31, 2018		
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	HUF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	NOK	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs
(a)	Share Capital	300.00	0.29	85.96	1.10	84.96	93.46	85.00	8.53	725.28	5.00	84.96	424.80	1.00	69.37	69.37
(b)	Reserves & Surplus	11,326.42	0.25	2,789.25	* (2.09)	82.36	* (172.03)	* (89.21)	8.51	* (758.98)	* (2.21)	73.09	* (161.64)	0.48	73.02	35.05
(c)	Total Assets ◣	23,047.16	0.25	5,699.56	5.07	79.47	402.63	85.63	8.00	684.63	22.50	79.47	1,787.96	4.52	70.55	318.90
(d)	Total Liabilities	11,420.74	0.25	2,824.35	6.06	79.47	481.19	89.85	8.00	718.33	19.71	77.36	1,524.80	3.04	70.55	214.48
(e)	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover	40,902.13	0.25	10,254.16	13.59	80.76	1,097.37	285.85	8.35	2,390.94	40.64	80.76	3,281.68	16.32	70.25	1,146.47
(g)	Profit before Taxation	404.66	0.25	101.45	(3.42)	80.76	(276.33)	(17.91)	8.35	(149.81)	(0.95)	80.76	(77.07)	(0.78)	70.24	(54.79)
(h)	Provision for Taxation	40.40	0.25	10.13	-	-	-	-	-	-	0.04	-	2.83	0.21	70.24	14.75
(i)	Profit after Taxation	364.26	0.25	91.32	(3.42)	80.76	(276.33)	(17.91)	8.35	(149.81)	(0.99)	80.76	(79.90)	(0.99)	70.25	(69.55)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100			100			100			100			100		

ANNEXURE "I"
FORM AOC-I
[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

PART "A" SUBSIDIARIES

	Name of Subsidiary	Lux International Services & Logistic GmbH			LIAG Trading and Investment Limited			Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Limited.
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	December 31, 2018			December 31, 2018			March 31, 2019	March 31, 2019
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	EUR	Rate	₹ In Lakhs	in USD $	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
(a)	Share Capital	0.25	73.80	18.45	0.28	64.93	18.18	8,200.00	50.39
(b)	Reserves & Surplus	2.17	80.12	173.47	5.33	69.68	371.37	6,253.75	523.45
(c)	Total Assets ◣	44.92	79.47	3,569.51	62.78	69.44	4,359.41	42,785.22	632.67
(d)	Total Liabilities	42.50	79.47	3,377.59	57.17	69.44	3,969.85	28,331.47	58.83
(e)	Investments	-	-	-	-	-	-	-	203.91
(f)	Turnover	121.22	80.76	9,789.03	50.57	68.72	3,475.36	11,414.04	84.71
(g)	Profit before Taxation	(2.11)	80.76	(170.14)	13.83	68.72	950.45	(1,160.93)	47.71
(h)	Provision for Taxation	0.01	80.42	0.69	-	-	-	22.45	13.28
(i)	Profit after Taxation	(2.12)	80.76	(170.84)	13.83	68.72	950.45	(1,183.38)	34.43
(j)	Proposed Dividend	-	-	-	10.00	68.72	687.24	-	-
(k)	% of Shareholding	100			100			25	100

All Foreign currencies are in Lakhs

* Net of Debit balance of Profit & Loss Accounts.

◣ Includes Investments

ANNEXURE "I"
FORM AOC-I
[Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Part "B" Associates and Joint Ventures

₹ in Lakhs

Sr. No.	Name of Joint Ventures / Associates	Forbes Aquatech Limited	Forbes Concept Hospitality Services Private Limited	Infinite Water Solutions Private Limited	AMC Cookware PTE Limited	Euro P2P Direct (Thailand) Company Limited	Nuevo Consultancy Services Private Limited	Dhan Gaming Solution (India) Private Ltd.
1	Latest Audited Balance sheet Date	**March 31, 2019**	**March 31, 2019**	**March 31, 2019**	**December 31, 2018**	**December 31, 2018**	**March 31, 2019**	**March 31, 2019**
2	Share of Associate/ Joint Venture held by the company on the year end Number of share held	5,00,000	26,25,000	35,00,000	5,000	19,596	58,849	10,000
	Amount of Investment (₹ in Lakhs)	50.00	262.50	350.00	258.00	26.68	5.88	0.01
	Extend of Holding %	50%	50%	50%	50%	49%	49%	49%
3	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Associate
4	Reason why the associate/ Joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakhs)	822.96	6.33	224.50	4,146.26	(2,914.40)	(30.46)	(0.04)
6	Profit/Loss for the year							
	(1) Consider in Consolidation (₹ in Lakhs)	108.66	(0.36)	284.43	250.80	-	-	-
	(2) Not Considered in Consolidation (₹ in Lakhs)	-	-	-	-	-	16.64	(0.19)

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai: May 30, 2019

Annexure "II"

DIVIDEND DISTRIBUTION POLICY

1. Background, Scope and Applicability

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy ("Policy") in the annual report and on the corporate website. The entities other than top 500 listed companies may adopt and disclose their dividend distribution policies on voluntary basis.

The Company currently has only one class of shares, viz. equity, for which this policy is applicable. The policy is subject to review if and when the Company issues different classes of shares.

The intent of the Policy is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend and how the retained earnings shall be utilized, etc.

2. Dividend

Dividend represents the profit of the Company, which is distributed to shareholders in proportion to the amount paid-up on shares they hold. Dividend includes Interim Dividend.

3. Circumstances under which shareholders can expect Dividend

The Board shall before declaring any dividend assess the Company's financial performance, long term strategy, present and future organic and inorganic growth plans and other relevant factors (as mentioned elsewhere in this policy) and ensure that sufficient funds are retained for growth of the Company.

The Dividend for any financial year shall normally be paid out of the Company profits for that year. If circumstances require, the Board may also declare dividend out of accumulated profits of any previous financial year(s) in accordance with provisions of the Act and Regulations, as applicable.

4. Parameters for declaration of Dividend

The Board of Directors of the Company, shall consider the following parameters for declaration of Dividend:

Financial Parameters / Internal Factors :

The Board of Directors of the Company would consider the following financial parameters before declaring or recommending dividend to shareholders:

(a) Net operating profit after tax;
(b) Distributable surplus available as per the Act and Regulations;
(c) Working capital requirements;
(d) Capital expenditure requirements;
(e) Resources required to fund acquisitions and / or new businesses;
(f) Cash flow required to meet contingencies;
(g) Outstanding borrowings;
(h) Additional investment in subsidiaries and associates of the Company;
(i) Stipulations/ Covenants of loan agreements; and
(j) Past Dividend Trends.

External Factors:

The Board of Directors of the Company would consider the following external factors before declaring or recommending dividend to shareholders:

(a) Prevailing legal requirements, regulatory conditions or restrictions laid down under the applicable laws including tax laws;
(b) Global conditions; and
(c) Dividend pay-out ratios of companies in the same industry.

5. Utilization of Retained Earning

The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run. The decision of utilization of the retained earnings of the Company shall be based on the following factors:

- Market expansion plan;
- Increase in production capacity;
- Modernization plan;
- Diversification of business;
- Long term strategic plans;
- Replacement of capital assets;
- Dividend payment; and
- Such other criteria as the Board may deem fit from time to time.

6. Manner of Dividend Payout

Interim dividend: Interim dividend, if any, shall be declared by the Board.. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration to the shareholders entitled to receive the dividend on the record date, as per the applicable laws.

Final dividend: Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

7. Disclosures

The Dividend Distribution Policy shall be disclosed in the Annual Report and on the website of the Company i.e. at www.forbes.co.in. The Company shall also make appropriate disclosures as required under the SEBI Regulations.

8. General

This Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Ministry of Corporate Affairs, Securities Exchange Board of India or such other regulatory authority as may be authorized, from time to time, on the subject matter.

The Company reserves its right to alter, modify, add, delete or amend any of the provisions of this Policy.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

9. Disclaimer

This document does not solicit investments in the Company's securities. Nor is it an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2019

Annexure “III”

FORM NO. AOC.2

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 arms length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3)of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

<table>
<tr><td>1</td><td colspan="2">Details of contracts or arrangements or transactions not at arm’s length basis</td><td>Nil</td></tr>
<tr><td rowspan="7">2</td><td colspan="3">Details of material contracts or arrangement or transactions at arm’s length basis:</td></tr>
<tr><td>a</td><td>Name(s) of the related party and nature of relationship</td><td>Paikar Real Estates Private Limited, a subsidiary of Shapoorji Pallonji and Company Private Limited, the holding Company of the Company.</td></tr>
<tr><td>b</td><td>Nature of contracts/arrangements/transactions</td><td rowspan="3">Sale of 50 % of Business Undertaking in Project Vicinia on a going concern on as-is-where-is basis by way of slump sale through Business Transfer Agreement.</td></tr>
<tr><td>c</td><td>Duration of the contracts/arrangements/ transactions</td></tr>
<tr><td>d</td><td>Salient terms of the contracts or arrangements or transactions including the value, if any</td></tr>
<tr><td>e</td><td>Date(s) of approval by the Board, if any</td><td>February 27, 2019</td></tr>
<tr><td>f</td><td>Amount paid as advances, if any</td><td>The entire consideration of ₹ 15,500 Lakhs was received in advance.</td></tr>
</table>

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2019

Annexure "IV"

Annual Report on Corporate Social Responsibility (CSR) Activities
(Pursuant to Section 135 of the Companies Act, 2013)

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 project or programs.

CSR Policy ('Policy') was adopted by the Board of Directors of the Company on March 23, 2015.

The Company is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

The Company is committed to inclusive, sustainable development and contributing to building and sustaining economic, social and environmental capital and to pursue CSR projects that are replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment.

The Company's CSR activities focus on:

- Health.
- Education.
- Environment Preservation.
- Rehabilitation of families affected by natural calamities.
- General improvement in quality of life.

Health shall cover WaSH that is, Water, Sanitation, and Hygiene leading to better Health. Our goal here will be to work towards long-term impact by changing habits, inculcating awareness of safe drinking water, good sanitation and hygiene. Providing necessary infrastructural support, for example, community level drinking water plants, filters, educating and creating awareness on need for safe water and hygiene. To enable sustainability, the local community will be equal participants in such programmes, contributing to actual construction, monitoring, maintaining and reporting on impact and usage. Also, providing affordable world-class health care facilities to the under privileged.

Education shall seek to mainstream children, with special focus on children of underprivileged sections of the society, by providing them with non-formal schooling opportunities which can translate later to formal school admissions. Also, supporting tribal schools in the far-flung hamlets and convert them into 'model' educational institutions. Skill based training to young adults will be achieved through livelihoods skills' programmes.

Environment Preservation includes adopting energy conservation practices, Measuring and reducing carbon footprint, involving employees in conservation practices, utilizing environment-friendly materials and rainwater harvesting and water conservation. Setting a goal to 'green our planet' consciously by planting trees.

Rehabilitation of families affected by natural calamities includes providing assistance to Government agencies involved in 'Search and Rescue' operations in areas of our country that are struck by natural calamities like floods, earthquakes or cyclone and providing psychological or material assistance to help distressed persons of such areas to return to their natural ways of living.

General improvement in quality of life will include development of the urban poor specially those who are impacted by re-development projects, differently abled youth to make them employment worthy, financial inclusion facilities for the poor workers.

The Company may also undertake other CSR activities as permitted in Schedule VII of the Act.

The Policy is available on the Company's website at www.forbes.co.in

CSR projects of the Company in the financial year included Health, Education & Environment Preservation.

2. **The Composition of the CSR Committee**

Mr. D. Sivanandhan	-	Chairman - Independent Director
Mr. Jai Mavani	-	Member- Non-Executive Director
Mr. M. C. Tahilyani	-	Member- Managing Director

3. **Average net profit of the Company for last three financial years**

Average net profit: ₹ 2557 lakhs

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above)**

The Company has committed ₹ 52.09 lakhs towards CSR initiatives for the Financial Year 2018-19.

5. **Details of CSR spent during the financial year:**

a) Total amount to be spent for the financial year 2018-19: ₹ 52.09 Lakhs

b) Amount unspent: ₹ 24.14 Lakhs. The Company has budgeted ₹ 52.09 Lakhs for spending on CSR initiatives in FY 2018-19. The Company has spent ₹ 6.40 Lakhs on construction of toilets and ₹ 21.55 Lakhs on construction of Municipal School building in Aurangabad. The Construction work could start after only after receipt of requisite approvals. The balance unspent amount of ₹ 24.14 Lakhs is expected to be spent by July'2019.

c) Manner in which the amount spent/committed during the financial year 2018-19 is detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	**CSR Project or activity Identified**	**Sector in which the Project is covered**	**Local area/ the State and district where projects or programs were undertaken**	**Amount outlay project or programs wise**	**Direct expenditure on projects**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency**
				(₹ In Lakhs)			
1	Supporting School	Promoting Education	Aurangabad Maharashtra	57.41*	33.27*	33.27*@	Direct
2	Environment Preservation	Environment Sustainability	Aurangabad Maharashtra	8.08**	8.08**	8.08**	Direct
3	Sanitation	Sanitation	Alibaug, Maharashtra	6.40	6.40	6.40	Panchsheel Hitawardhini Mandal Trust

* Includes ₹ 11.72 Lacs pertaining to FY 2017-18. The Construction could start only after receipt of requisite approvals.

** Pertains to FY 2017-18 (spent in FY 2018-19).

@ The Company has committed and earmarked balance unspent amount of ₹ 24.14 Lakhs for FY 2018-19 towards construction of a municipal school building in Aurangabad. The construction work is expected to be completed by July 2019.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

   The Company entered into a Memorandum of Understanding (MOU) with Aurangabad Municipal Corporation towards reconstruction of a municipal school building in Aurangabad. The construction work could start after only after receipt of requisite approvals. The balance unspent amount of ₹ 24.14 lakhs is expected to be be utilised by July’2019.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

   We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the monitoring of CSR policy, is in compliance with our CSR objectives and policy of the Company.

M. C. Tahilyani
Managing director
DIN: 01423084

D. Sivanandhan
Chairman of the CSR Committee
DIN:03607203

Mumbai, May 30, 2019

Annuexure "V"

Nomination and Remuneration Policy

REGULATORY FRAMEWORK

I SECTION 178 OF THE COMPANIES ACT, 2013

- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- The Nomination and Remuneration Committee shall, while formulating the policy as aforesaid shall ensure that:

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

II SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Schedule II Part D of Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that role of Nomination and Remuneration Committee shall, inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

Regulation 18(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provides that the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

DEFINITIONS AND INTERPRETATION

In this Policy unless the context otherwise requires:

Act shall mean Companies Act, 2013.

Board shall mean Board of Directors of the Company (Forbes & Company Limited).

Charter shall mean Charter for Performance Evaluation of the Directors, Committees and Board of Directors adopted by the Board of Directors of the Company as amended from time to time.

KMPs or Key Managerial Personnel shall mean following:
a. Managing Director (MD) , or Chief Executive Officer or Manager and in their absence, Whole time Director;
b. Company Secretary; and
c. Chief Financial Officer

NRC shall mean Nomination and Remuneration Committee.

Senior Management Personnel shall mean employees comprising of all members of management one grade below the MD, including the functional/ vertical heads.

INTERPRETATION

i. The provisions of the Act and the SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 (SEBI LODR) shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Charter is inconsistent with the provisions of Act and/or the SEBI LODR, the provisions of Act and/or the SEBI LODR shall prevail.

ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the SEBI LODR or the Charter.

iii. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

OBJECTIVES

The Objective of this Policy is to act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, KMPs, Senior Management Personnel and includes:

- Ensuing that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
- Ensuing that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuing that the remuneration to Directors, KMPs, and other Senior Management Personnel of the Company involves a fine balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-executive) and persons who may be appointed in Senior Management, KMPs and to determine their remuneration;
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in the industry;
- To carry out evaluation of the performance of Directors;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage; and
- To lay down criteria for appointment, removal of directors, KMPs and Senior Management Personnel and evaluation of their performance.

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE

The NRC shall, inter-alia, perform the following functions:

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Determine the criteria for selection, attributes and broad parameters for appointment of KMPs, evaluation and measurement of performance of KMPs and to recommend appointments of KMPs to the Board;
- Determine the criteria for selection, compensation structure, evaluation and measurement of performance of Senior Management Personnel;
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors;
- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- Devise a policy/criteria on Board diversity;
- The NRC shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management; and
- Set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.

APPOINTMENT OF DIRECTORS

- The NRC shall ensure that Board has appropriate balance of skills, experience and diversity of perspectives that are imperative for the execution of its business strategy, and consider various factors including but not limited to skills, industry experience, background, race and gender for balanced and diversified Board.
- The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMPs and recommend to the Board his/her appointment.
- An Independent Director shall also have experience and knowledge in one or more fields of finance, law, management, marketing, sales, administration, corporate governance, or any other disciplines related to the business of the Company.
- Appointment of Independent Directors shall be subject to compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution

by the Company and disclosure(s) of such appointment in the Board's report. No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

- The NRC shall recommend appointment or re-appointment of Managing Director (MD) for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

- The NRC shall carry out evaluation of performance of every Director on an annual basis.

- The NRC may recommend, to the Board with reasons recorded in writing, removal of a Director, KMPs or Senior Management Personnel subject to the provisions of the Companies Act, 2013, and all other applicable Acts, Rules and Regulations, if any.

- The Directors, KMPs and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The NRC shall from time to time recommend, review and revise, if required the retirement policy for Directors, KMPs and Senior Management Personnel.

- The Board will have the discretion to retain the Director, KMPs and Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

REMUNERATION OF MD

- The remuneration/ to the Managing Director will be determined by the NRC and recommended to the Board for approval. The remuneration/ compensation/profit-linked commission etc. shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.

- Increments to the MD should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.

- The Remuneration to MD shall involve a balance between fixed and incentive pay reflecting short and long term performance and objectives appropriate to working of the Company and its goals.

- The Non-Executive Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the applicable Regulations as approved by the Board from time to time. The boarding and lodging expenses of Directors for attending meetings shall be reimbursed to the Directors based out of Mumbai.

- The profit-linked Commission shall be paid within the monetary limit approved by the members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.

- Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.

- Only such employees of the Company and its subsidiaries as approved by the NRC will be granted ESOPs.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

- Company's Corporate Profile, Organizational structure, the latest Annual Report, Code of Conduct, Policies and Charters applicable to Directors shall be provided to all Directors at the time of joining.

- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, code of conduct and obligations on disclosures shall be issued to the Independent Directors.

- The Company shall provide suitable training to Independent Directors/Non-Executive Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. and they shall be formally introduced to the Business/ Unit Heads and Corporate Functional Heads.

UPDATING THE DIRECTORS ON A CONTINUING BASIS

- The Company shall periodically arrange Board Strategy discussions at any of the Company's plants or off-site locations. At such Meetings, the Directors also get an opportunity to see the Company's operations, interact with the Plant Heads and review the sustainability aspects of the Plant. This would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.

- At the Board Strategy Meeting, presentations shall be made to the Directors on the Company's long term Vision and Strategy. Business Heads may also present their plans and priorities with the Board. This would enable the Directors to get a deeper insight in the operations of the Company.

- Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.

- Business Heads and Company Executives may be invited at Board or Committee Meetings and meetings of Directors for better understanding of the business and operations of the Company.

REMUNERATION TO KMPs AND SENIOR MANAGEMENT

- The level and composition to be paid to KMPs and Senior Management shall be reasonable and sufficient to attract, retain and motivate them and shall be also guided by external competitiveness and internal parity.

- The remuneration of KMPs and Senior Management Personnel shall be guided by the external competitiveness and internal parity. Internally, performance rating of all employees would be spread across a normal distribution curve.

- The remuneration of KMPs and Senior Management shall comply with the guidelines approved by the NRC.

  The terms of remuneration of the Chief Internal Auditor shall comply with the guidelines approved by the Audit Committee.

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2019

Annexure "VI"

Disclosure under Section 197 (12) and Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. a. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2019.

Non-Executive Directors of the Board were paid only sitting fees during the financial year ended March 31, 2019 as follows:

Director	Sitting Fees (₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Non- Executive Directors		
Mr. Shapoor P. Mistry	2.50	0.45 : 1
Mr. Kaiwan D. Kalyaniwalla (ceased to be Director with effect from the close of business hours on March 31, 2019)	9.00	1.63 : 1
Mr. D. Sivanandhan	8.00	1.45 : 1
Mr. Jai L. Mavani	3.50	0.64 : 1
Ms. Aslesha A. Gowariker (ceased to be Director with effect from June 12, 2018)	1.00	#
Ms. Rani Ajit Jadhav (appointed Director with effect from September 1, 2018)	2.00	#

Director for part of the year, hence the ratio of their remuneration to median remuneration is not comparable.

Remuneration to Executive Director

Director	(₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Mr. M. C. Tahilyani	217.45	39.48

b. Percentage increase in remuneration of Key Managerial Personnels (KMPs) in the financial year.

Executive Director, Chief Financial Officer and Company Secretary	% increase on Cost To Company
Mr. M. C. Tahilyani, Managing Director	8%
Mr. Nirmal Jagawat, Chief Financial Officer	10%
Mr. Pankaj Khattar, Company Secretary	14%

2. Percentage increase in the median remuneration of employees in the financial 2017-2018:

The increase in median remuneration was 11.81%. The range of increase was from 5% to 35% (average 12.51%) barring a few employees who were given a higher percentage increase/market correction for market parity. New employees were given pro rata increase proportionate to the period of their stay in the Company.

3. Number of permanent employees on the rolls of Company as on March 31, 2019: 452 *(previous year 438)*

4. Average percentile increase already made in the salaries of employees other than 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:

Average increase in remuneration of employees (other than KMPs) was 12%. The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

5. The Company affirms remuneration is as per the remuneration policy of the Company.

Annexure "VII"

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Forbes & Company Limited
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai-400001, Maharashtra

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Forbes & Company 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (hereinafter called the '**Audit Period**') 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 and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

(i) The Companies Act, 2013 (**the Act**) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not applicable to the Company during the Audit Period)**.

(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

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 notified on 11th September, 2018 **(Not applicable to the Company during the Audit Period)**

(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

(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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period)** and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 notified on 11th September, 2018 **(Not applicable to the Company during the Audit Period)**.

(vi) As identified, no law is specifically applicable to the Company.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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 composition of the Board of Directors during the period under review was in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance 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.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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 the Company has

1. Increased the limit for grant of loan, guarantee or security and investment in securities upto ₹ 1000 crore under Section 186 of the Act pursuant to the approval of members via postal ballot conducted on 13th July, 2018.

2. Increased the limit to borrow money and to create charge on assets upto ₹ 1000 crore pursuant to the approval of members at the Annual General Meeting held on 25th September, 2018.

3. Approved the issue of Non-Convertible Debentures upto ₹ 250 Crore by way of Private Placement at the Annual General Meeting held on 25th September, 2018.

4. Made a sale of 50% of the business undertaking in Project Vicinia.

For Makarand M. Joshi & Co.
Practising Company Secretaries

Kumudini Bhalerao
Partner
FCS No: 6667
CP No. 6690

Place: Mumbai
Date: May 30, 2019

*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.

'Annexure A'

To
The Members,
Forbes & Company Limited
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai-400001, Maharashtra

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial 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 financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. 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.

For Makarand M. Joshi & Co.
Practising Company Secretaries

Kumudini Bhalerao
Partner
FCS No: 6667
CP No. 6690

Place: Mumbai
Date: May 30, 2019

Annexure “VIII”

Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo, as per section 134(3)(m) of the Companies Act, 2013 and the Rules made therein and forming part of Directors' Report for the year ended March 31, 2019.

(A) Conservation of Energy:

(i) Steps taken or impact on conservation of energy:

(a) Energy Conservation Measures Taken:

Installation of 22 KW Variable Frequency Drive on Air compressor.

(b) Impact of measures taken at (a) above for reduction of energy consumption and impact on cost of goods:

Saving of energy consumption of approx. 15076 KWH on an annualized basis due to the measure taken at (i) (a) above resulting in savings of ₹ 1.80 Lakhs p.a.

(ii) Steps taken by the Company for utilising alternate sources of energy:

The Company has earmarked money for installing Solar Panel, which will be uses for captive consumption.

(iii) Capital investment on energy conservation equipment: ₹ 2.51 Lakhs

(B) Technology Absorption and Research and Development (R & D):

i. Efforts, in brief, made towards technology absorption and benefits derived as result of below activity's

Waluj Plant:-

Solid Carbide Operations:-

As a part of growth strategy and de-risking over dependence on Auto segment, Company has started developing Non- Automotive sectors. Company has developed new products for aerospace and mining segment:

➢ Developed Milling product portfolio for aerospace components on difficult to machine materials like Titanium, Inconel and Stainless Steels and established supplies to some key accounts in Aerospace industries overseas.

➢ Developed drilling product portfolio for mining application which needs high level of dimensional accuracy with better surface finish.

➢ Development of customised tools for defence sector.

In our efforts to empowering customers with innovative solutions, Company has enhanced product performance in special machining segment like Graphite machining and Long oil hole drilling for auto sectors by developing new technologies on surface coatings and edge preparations on tools.

Research and Development

To enhance in-house Computer-aided Engineering (CAE) facility, Company has adapted Thread Forming simulation software.

- Virtual forming simulation validates the product Design and eliminates time and cost-consuming shop floor trial tests.
- Simulation output such as Stress and Temperature helps to choose best manufacturing concept (Tool geometry and material) for Forming Taps for achieving better tool life.
- Decision-making of optimum speed for the application material for increasing productivity at customer end.
- Carbide Taps portfolio developed first by any Indian company and futuristic outlook in terms of technology in designing and manufacturing.

Industrial Automation / Coding Business Group (CBG)

Company has established Design Centre in Pune lead by Design Head-Automation catering to our own automation division Industrial Automation Division has now built capability to undertake large scale line automation projects with Inhouse Design and Built model and also expanding its area of expertise as a Solution provider in Non- automotive sector:

- Robot technology introduced in Automation Solutions for Customers with diverse applications.
- CBG has now embraced Machining Technology for production SPM by designing its own 2-Axis Turning Centre.
- Heavy Component Material Handling Automation with Wireless remote operator pendent functioning taking into account industrial safety standards.
- Assembly Line Automation- Palletized Conveyor assembly line for heavy Hydraulic Gearbox for an OEM.
- Designing a Combo machine with both, component pressing and inclined marking capability with reduction in cycle time, doubling the production capacity.
- Industrial Software solutions- Potential of developing most recent platforms of Industrial software, integrating them with servers and machines for assorted applications.

- Technology of Virtual Simulation of Mechanical designs for explicit presentation of any machine functioning. Helping in developing error-free machines.

Chandivali Plant:

As efforts to meet international customer expectation and compete with multinationals, Company has developed Material Specific High Performance Taps -

- NIB Taps for Nut tapping on automatic machines.

- Powder metallurgy taps with through coolant hole tapping applications.

- Spiral fluted powder metallurgy cut taps for forged steel applications.

- High Nickel based material applications Taps suitable for super alloys.

High Performance Taps: Productivity improvement by replacing hydro pneumatic tool loading /unloading system with robotic pick and place.

(ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)

a) the details of technology imported)
b) the year of import) Nil and Not
c) whether the technology been fully absorbed) Applicable
d) if not fully absorbed, areas where absorption has)
not taken place and the reasons thereof, and)

(iii) the expenditure incurred on Research and Development : Nil

(C) Foreign exchange earnings and outgo:

(₹ In Lakhs)

(a)	**Foreign exchange earnings:**	
1	Export of goods calculated on FOB basis	2,441.48
2	Commission and other Services	4.02
3	Freight and Insurance recoveries	47.83
	Total	**2,493.33**
(b)	**Foreign exchange outgo:**	
1	Imports calculated on CIF basis – Raw material	3,561.25
2	Imports calculated on CIF basis – stores, spares and tools	127.92
3	Imports calculated on CIF basis – purchase for re-sale	14.16
4	Imports calculated on CIF basis – Capital Goods	675.78
5	Commission to overseas agents	32.47
6	Foreign travel	75.96
7	Others	125.00
	Total	**4,612.54**

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2019

Annexure 'IX'

Form No. MGT-9
EXTRACT OF ANNUAL REPORT
as on the financial year ended on March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L17110MH1919PLC000628
(ii)	Date of Incorporation	November 18, 1919
(iii)	Name of the Company	Forbes & Company Limited
(iv)	Category	Company Limited by Shares
(v)	Sub-category of the Company	Indian Non-Government Company
(vi)	Address of the Registered Office and Contact Details	Forbes' Building, Charanjit Rai Marg, Fort Mumbai 400 001 Telephone No : +91 22 61358900 Fax No: +91 22 61358901 E-mail: investors.relations@forbes.co.in Website: www.forbes.co.in
(vii)	Whether Listed or Not	Yes
(viii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	TSR Darashaw Consultants Private Limited (Formerly known as TSR Darashaw Limited) Address: 6-10, Haji Moosa Patrawala Industrial Estate,20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai-400 011. Telephone No: +91 22 66568484 Fax No: +91 22 66568494 E-mail: csg-unit@tsrdarashaw.com Website : www.tsrdahrashaw.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Name/Description of Main Products/Services	NIC Code of Product/Service	% to total turnover of the Company
Threading Tools	28221	41.79%
Carbide Tools	25939	22.36%
Automated Impact Markers	28299	10.27%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES:

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Shapoorji Pallonji and Company Private Ltd. 70, Nagindas Master Road, Fort, Mumbai-400023	U45200MH1943PTC003812	Holding	72.56	2(46)
2.	Aquaignis Technologies Pvt Ltd Khasra No. 3946,3961 & 3962 Lal Tappar Industrial Area, Majri Grant, Dehradun - 248140	U31908UR2012PTC000450	Subsidiary	100	2(87)
3.	Campbell Properties and Hospitality Services Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U70102MH2014PLC260490	Subsidiary	100	2(87)
4.	EFL Mauritius Ltd 4th Floor, 19th Bank Street, Cybercity Ebene. Mauritius	Not Applicable	Subsidiary	100	2(87)
5.	Eureka Forbes Ltd. 7, Chakraberia Road Kolkata – 700025	U27109WB1931PLC007010	Subsidiary	100	2(87)

FORBES

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
6.	Euro Forbes Financial Services Ltd. B1/B2, 7th Floor, 701, Marathon Innova Off Ganpatrao Kadam Marg, Lower Parel Mumbai-400 013	U67190MH2011PLC214424	Subsidiary	100	2(87)
7.	Euro Forbes Ltd. 409, City Tower 1, Sheikh Zayed Road, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
8.	Forbes Bumi Armada Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U35100MH2006PLC159958	Subsidiary	51	2(87)
9.	Forbes Campbell Finance Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U51103MH1977PLC259702	Subsidiary	100	2(87)
10.	Forbes Campbell Services Ltd. Cassinath Building, A K Nayak Marg, Fort, Mumbai 400 001	U74140MH1975PLC018077	Subsidiary	98	2(87)
11.	Forbes Enviro Solutions Ltd. B1/B2, 7th Floor, 701, Marathon Innova Off Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	U27310MH2008PLC188478	Subsidiary	100	2(87)
12.	Forbes Facility Services Pvt. Ltd. B1/B2, 7th Floor, 701, Marathon Innova Off Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	U74930MH2004PTC147742	Subsidiary	100	2(87)
13.	Forbes Lux FZCO LOB 17, Office 207, PO Box 261698, Jebel Ali, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
14.	Forbes Lux International AG Blickensdorferstrasse, 21B 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
15.	Forbes Technosys Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U29290MH1991PLC062425	Subsidiary	100	2(87)
16.	LIAG Trading and Investments Ltd. 409, City Tower 1 Sheikh Zayed Road, P.O. Box 118767, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
17.	Lux (Deutschland) GmbH Petersberger Strasse 21 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
18.	Lux Aqua Paraguay SA Estrella 764 casi Ayolas, Asunción, Paraquay	Not Applicable	Subsidiary	100	2(87)
19.	Lux del Paraguay S.A (Formerly known as Hoger Paraguay Electrodomesticos S.A) Estrella 764 Casi Ayolas, Asuncion, Paraguay	Not Applicable	Subsidiary	50	2(87)
20.	Lux Hungaria Kereskedelmi.Kft Javor u. 5/a1145 Budapest, Hungary	Not Applicable	Subsidiary	100	2(87)
21.	Lux International AG Blickensdorferstrasse, 21B 6340, Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
22.	Lux International Services & Logistics GmbH (Formerly: Lux Service GmbH) Petersberger Strasse 2136037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
23	Lux Italia s.r.l Viale Colleoni, 5 Palazzo Taurus Ingresso 3, 20041 Agrate Brianza MI, Italy	Not Applicable	Subsidiary	100	2(87)
24.	Lux Norge AS Sandstuveien 70 0680 Oslo, Norway	Not Applicable	Subsidiary	100	2(87)
25.	Lux Oesterreich GmbH Concorde Park, 1, 2320 Schwechat, Vienna, Austria	Not Applicable	Subsidiary	100	2(87)
26.	Lux Schweiz AG Blickensdorferstrasse, 21B 6340 Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
27.	Shapoorji Pallonji Forbes Shipping Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U61100MH2006PLC163149	Subsidiary	25	2(87)
28.	Volkart Fleming Shipping and Services Ltd. Cassinath Building, A. K. Nayak Marg, Fort, Mumbai-400001.	U63090MH1920PLC000808	Subsidiary	100	2(87)
29.	AMC Cookware Ltd 4, Castor Road, Lansdowne, PO Box. 24200, 7779 Cape Town, South Africa	Not Applicable	Associate	50	2(6)
30.	Dhan Gaming Solution (India) Private Limited Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005	U92490MH2003PTC139673	Associate	49	2(6)
31.	Euro P2P Direct (Thailand) Co. Ltd 98/120-121, Nuanchan Road, Nuanchan, Khet Bungkum, Bangkok 10230 Thailand	Not Applicable	Associate	49	2(6)
32.	Forbes Aquatech Ltd 36/4, Annexe Building, 4th Cross, Raghavendra Nagar, Hrnr Layout, Hennur Ring Road, Bangalore, Karanataka, 560 043.	U28122KA2003PLC032492	Associate	50	2(6)
33.	Forbes Concept Hospitality Services Pvt Ltd. B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U55101MH2006PTC162855	Associate	50	2(6)
34.	Infinite Water Solutions Pvt Ltd B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U749999MH2008PTC180918	Associate	50	2(6)
35.	Nuevo Consultancy Services Private Ltd. (Formerly Forbes Infotainment Ltd) Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba,Mumbai 400 005	U70200MH2003PTC139672	Associate	49	2(6)

IV. SHARE HOLDING PATTERN: (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise / Shareholding

Sr. No.	Category of Shareholers	No.of Shares held at the beginning of the year i.e 01.04.2018				No.of Shares held at the end of the year i.e 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	95,25,691	0	95,25,691	73.85	95,25,691	0	95,25,691	73.85	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	**95,25,691**	**0**	**95,25,691**	**73.85**	**95,25,691**	**0**	**95,25,691**	**73.85**	**0.00**
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0		0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0		0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0		0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0		0.00	0.00
	Sub-Total (A) (2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
	Total Shareholding of Promoter and Promoter Group (A)	**95,25,691**	**0**	**95,25,691**	**73.85**	**95,25,691**	**0**	**95,25,691**	**73.85**	**0.00**
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	142	250	392	0.00	144	250	394	0.00	0.00
(b)	Financial Institutions / Banks	11,767	7,288	19,055	0.15	11,767	7,048	18,815	0.15	0.00
(c)	Cental Government / State Governments(s)	30,392	79,980	1,10,372	0.86	30,363	79,980	1,10,343	0.86	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	500	500	0.00	0	500	500	0.00	0.00
(f)	Foreign Institutional Investors	0	50	50	0.00	0	50	50	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
(j)	Foreign Portfolio Investors (Corporate)	14,81,401	0	14,81,401	11.48	14,83,801	0	14,83,801	11.50	0.02
	Sub-Total (B) (1)	**15,37,698**	**15,23,702**	**88,068**	**16,11,770**	**12.50**	**15,26,075**	**87,828**	**16,13,903**	**12.51**
(2)	Non-Institutions									
(a)	Bodies Corporate									
	i) Indian	2,10,205	11,281	2,21,486	1.72	2,01,365	11,241	2,12,606	1.65	-0.07
	ii) Overseas	0	1,580	1,580	0.01	0	1,580	1,580	0.01	0.00
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,40,233	4,26,811	12,67,044	9.82	9,02,774	3,90,024	12,92,798	10.02	0.20

Sr. No.	Category of Shareholers	No.of Shares held at the beginning of the year i.e 01.04.2018				No.of Shares held at the end of the year i.e 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,00,349	0	2,00,349	1.55	1,89,699	0	1,89,699	1.47	-0.08
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(i)	Trust	640	0	640	0.00	702	0	702	0.01	0.00
(ii)	NBFC	70,056	0	70,056	0.54	61,637	0	61,637	0.48	-0.07
	Sub-total (B) (2)	**13,21,483**	**4,39,672**	**17,61,155**	**13.65**	**13,56,177**	**4,02,845**	**17,59,022**	**13.64**	**-0.02**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**28,45,185**	**5,27,740**	**33,72,925**	**26.15**	**28,82,252**	**4,90,673**	**33,72,925**	**26.15**	**0.00**
	TOTAL (A)+(B)	**1,23,70,876**	**5,27,740**	**1,28,98,616**	**100.00**	**1,24,07,943**	**4,90,673**	**1,28,98,616**	**100.00**	**0.00**
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	**1,23,70,876**	**5,27,740**	**1,28,98,616**	**100.00**	**1,24,07,943**	**4,90,673**	**1,28,98,616**	**100.00**	**0.00**

ii) Shareholding Pattern of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2018			Shareholding at the end of the year i.e. March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of Shares of the Company	% of Shares Pledged/ encumbered to total shares	
1	Shapoorji Pallonji and Company Private Ltd	93,59,293	72.56	-	93,59,293	72.56	7.37	No Change
2	Forbes Campbell Finance Ltd	1,66,398	1.29	-	1,66,398	1.29	-	No Change
	Total	**95,25,691**	**73.85**	-	**95,25,691**	**73.85**	-	**No Change**

(iii) Change in Promoters' Shareholding (Please specify, if there is no change):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	There is no change in Promoters' Shareholding between April 1, 2018 to March 31,2019			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the End of the year				

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
India Discovery Fund Limited	April 1, 2018	At the beginning of the year	11,48,255	8.90	11,48,255	8.90
	March 31, 2019	At the end of the year	0	0.00	11,48,255	8.90
Antara India Evergreen Fund Ltd	April 1, 2018	At the beginning of the year	3,33,146	2.39	3,33,146	2.39
	November 30, 2018	Sale of Shares	-3,460	-0.03	3,29,686	2.56
	March 31, 2019	At the end of the year	0	0.00	3,29,686	2.56
Governor of Kerala	April 1, 2018	At the beginning of the year	79,980	0.62	79,980	0.62
	March 31, 2019	At the end of the year	0	0.00	79,980	0.62
SPS Share Brokers Pvt. Ltd.	April 1, 2018	At the beginning of the year	66,467	0.52	66,467	0.52
	April 6, 2018	Purchase of Shares	25	0.00	66,492	0.52
	April 20, 2018	Sale of Shares	-15	0.00	66,477	0.52
	April 27, 2018	Sale of Shares	-10	0.00	66,467	0.52
	May 18, 2018	Purchase of Shares	1,504	0.01	67,971	0.53
	June 22, 2018	Purchase of Shares	87	0.00	68,058	0.53
	June 29, 2018	Sale of Shares	-87	0.00	67,971	0.53
	July 20, 2018	Sale of Shares	-12,108	-0.09	55,863	0.43
	August 17, 2018	Purchase of Shares	1,760	0.01	57,623	0.45
	September 28, 2018	Purchase of Shares	50	0.00	57,673	0.45
	October 05, 2018	Sale of Shares	-1,550	-0.01	56,123	0.44
	October 05, 2018	Purchase of Shares	1,500	0.01	57,623	0.45
	October 12, 2018	Purchase of Shares	10	0.00	57,633	0.45
	October 19, 2018	Sale of Shares	-10	0.00	57,623	0.45
	October 26, 2018	Purchase of Shares	30	0.00	57,653	0.45
	November 2, 2018	Sale of Shares	-30	0.00	57,623	0.45
	November 9, 2018	Sale of Shares	-1,400	-0.01	56,223	0.44
	November 16, 2018	Purchase of Shares	10	0.00	56,233	0.44
	November 23, 2018	Purchase of Shares	990	0.01	57,223	0.44
	November 30, 2018	Sale of Shares	-980	-0.01	56,243	0.44
	December 7,2018	Sale of Shares	-20	0.00	56,223	0.44
	December 28, 2018	Purchase of Shares	7	0.00	56,230	0.44
	December 31, 2018	Sale of Shares	-7	0.00	56,223	0.44
	January 4, 2019	Purchase of Shares	6,000	0.05	62,223	0.48
	January 25, 2019	Purchase of Shares	102	0.00	62,325	0.48
	February 1, 2019	Sale of Shares	-2	0.00	62,323	0.48
	February 01, 2019	Purchase of Shares	11,000	0.09	73,323	0.57
	March 22, 2019	Purchase of Shares	521	0.00	73,844	0.57
	March 29, 2019	Purchase of Shares	4,567	0.04	78,411	0.61
	March 31, 2019	At the end of the year	0	0.00	78,411	0.61

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2018		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
Mangal Bhanshali	April 1, 2018	At the beginning of the year	75,400	0.58	75,400	0.58
	March 31, 2019	At the end of the year	0	0.00	75,400	0.58
Sps Finquest Limited	April 1, 2018	At the beginning of the year	69,592	0.54	69,592	0.54
	July 20, 2018	Purchase of Shares	13,000	0.10	82,592	0.64
	January 4, 2019	Sale of Shares	-6,000	-0.05	76,592	0.59
	January 11, 2019	Purchase of Shares	663	0.01	77,255	0.60
	February 1, 2019	Sale of Shares	-11,000	-0.09	66,255	0.51
	March 29, 2019	Sale of Shares	-5,000	-0.04	61,255	0.47
	March 31, 2019	At the end of the year	0	0.00	61,255	0.47
Bhanshali Manek Huf	April 1, 2018	At the beginning of the year	44,700	0.35	44,700	0.35
	March 31, 2019	At the end of the year	0	0.00	44,700	0.35
A & N Ventures Private Limited	April 1, 2018	At the beginning of the year	42,630	0.33	42,630	0.33
	March 31, 2019	At the end of the year	0	0.00	42,630	0.33
Kerala State Industrial Development Corporation	April 1, 2018	At the beginning of the year	30,363	0.24	30,363	0.24
	March 31, 2019	At the end of the year	0	0.00	30,363	0.24
Kairus Shavak Dadachanji	April 1, 2018	At the beginning of the year	23,949	0.19	23,949	0.19
	March 31, 2019	At the end of the year	0	0.00	23,949	0.19

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	None of the Directors held shares in the Company at the beginning of the year			
2	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	None of the Directors had any transaction in the shares of the Company during the year			
3	At the end of the year	None of the Directors held shares in the Company at the end of the year			

V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	9,979.07	6,890.84	-	16,869.91
(ii) Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	98.42	-	-	98.42
(iv)Cash Credit utilization	-	-	-	-
Total (i+ii+iii+iv)	**10,077.49**	**6,890.84**	**-**	**16,968.33**
Change in Indebtedness during the financial year				
• Addition	2,686.95	-	-	2,686.95
• Reduction	14.00	6,890.84	-	6,904.84
Net Change	**2,672.95**	**6,890.84**	**-**	**(4,217.89)**
Indebtedness at the end of the financial year				
(i) Principal Amount	11,694.97	-	-	11,694.97
(ii) Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	84.42	-	-	84.42
(iv)Cash Credit Utilization	971.05	-	-	971.05
Total (i+ii+iii+iv)	**12,750.44**	**-**	**-**	**12,750.44**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager:

(₹ in Lakhs)

SI No	Particulars of Remuneration	Name of the Managing Director
		Mr. M. C. Tahilyani
1	Gross salary	
	(a)Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	127.78
	(b)Value of perquisites u/s 17(2) of the Income tax Act,1961	6.80
	(c)Profits in lieu of Salary u/s 17(3)of the Income Tax Act,1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	-as % of Profit	-
	-others, specify	-
5	Others - Annual Performance Incentive	82.87
	Total (A)	**217.45**
	Ceiling as per the Companies Act, 2013	NA *

*The remuneration was approved by the Members in the Annual General Meeting held on August 24, 2016 and is in conformity with the conditions of Notification No. 2922 (E) dated September 12, 2016 issued by Ministry of Corporate Affairs and the approval received from Central Government vide its letter no. SRNG21283759/2016-CL-VII dated March 24, 2017.

B. Remuneration to other Directors:

(₹ in Lakhs)

Sr. No.	Particulars of Remuneration	Fees for attending Board/ Committee Meetings
1	**Independent Directors**	
	Mr. Kaiwan D. Kalyaniwalla (ceased to be Director with effect from the close of business hours on March 31, 2019)	9.00
	Mr. D. Sivanandhan	8.00
	Ms. Aslesha A. Gowariker (ceased to be Director with effect from June 12, 2018)	1.00
	Ms. Rani Ajit Jadhav (appointed Director with effect from September 1, 2018)	2.00
	Total (1)	**20.00**
2	**Other Non-Executive Directors**	
	Mr. Shapoor P. Mistry	2.50
	Mr. Jai L. Mavani	3.50
	Total (2)	**6.00**
	Total (B)=(1+2)	**26.00**
	Total Managerial Remuneration*	Nil
	Overall Ceiling as per the Companies Act, 2013	Nil

* During the year under review the Company has not paid any Commission to any of the Directors of the Company.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Lakhs)

Sr. No	Particulars of Remuneration	Key Managerial Personnel		Total
		Chief Financial Officer	Company Secretary	
		Mr. Nirmal Jagawat	Mr. Pankaj Khattar	
1	Gross Salary			
	(a) Salary as per provision contained in Section 17 (1) of the Income tax Act,1961	55.84	56.44	112.28
	(b)Value of perquisites u/s 17(2) Income tax Act,1961	-	-	-
	(c)Profits in lieu of Salary u/s 17(3) Income tax Act,1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	-as % of profit	-	-	-
	-others –	-	-	-
5	Others - Annual Performance Incentive	11.70	14.74	26.44
	Total	67.54	71.18	138.72

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	None and Not Applicable				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	None and Not Applicable				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	None and Not Applicable				
Punishment					
Compounding					

Business Responsibility Report FY 2018-19
(As per Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Section A: General information about the Company

1.	Corporate Identity Number (CIN) of the Company	:	L17110MH1919PLC000628
2.	Name of the Company	:	Forbes & Company Limited
3.	Registered Address	:	Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
4.	Website	:	www.forbes.co.in
5.	E-mail ID	:	investor.relations@forbes.co.in
6.	Financial Year reported	:	April 1, 2018 – March 31,2019
7.	Sector(s) that the Company is engaged in) industrial activity code-wise)	:	**NIC Code** / **Product Description** 28221 – Threading Tools 25939 – Carbide Tools 28259 – Marking machines 28299 – Industrial Automation 41001 – Realty
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Manufacture of Precision Engineering Tools for Industrial Applications, Printing and Embossing (Conventional and Automated) Marking Machines and Development of Real Estate
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (provide details of major 5) (b) Number of National Locations	 :	 Nil 3 (three) manufacturing plants, 10 offices including Registered Office, Regional Offices and Sales Offices.
10.	Markets served by the Company-Local/State/ National/International	:	India, Middle East, East and Central Europe, South East Asia, Israel etc.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	₹ 1,289.86 Lakhs
2.	Total Turnover (INR)	:	₹ 22,727.58 lakhs (Standalone) ₹ 2,85,341.89 lakhs (Consolidated)
3.	Total profit/(loss) after taxes (INR)	:	₹ 1,027.19 lakhs (Standalone) ₹ (298.48) (Consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profits after tax (%)	:	The Company has budgeted ₹ 52.09 lakhs (2 %) for spending on CSR initiatives in FY 2018-19. The Company has spent ₹ 6.40 lakhs on construction of toilets and ₹ 21.56 lakhs on construction of municipal school building in Aurangabad. The balance unspent amount of ₹ 24.14 Lakhs is earmarked towards construction of municipal school building in Aurangabad and is expected to be spent by July' 2019. The aforesaid activities cover all the three categories.
5.	List of activities in which expenditure in 4 above has been incurred (a) Education (b)Health Care (c)Hygiene and Sanitation	:	

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies	:	Yes
2.	Do the Subsidiary Company/Companies participate in BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	:	No. Each Company undertakes CSR activities, if applicable, separately.
3.	Do any other entity/entities (e.g suppliers, distributors etc) that the Company does business, participate in the BR initiatives of the Company ? If yes, then indicate the percentage of such entity/entities? [Less than 30 %, 30-60%, More than 60%]	:	No. Presently the Company individually does actions relating to CSR.

SECTION D: BR INFORMATION

1.	Details of Director/Directors responsible for BR	
(a)	Details of the Director/Directors responsible for implementation of the BR policy/policies 1. DIN Number 2. Name 3. Designation	 01423084 Mr. M. C. Tahilyani Managing Director
(b)	Details of the BR head 1. DIN Number (if applicable) 2. Name 3. Designation 4. Telephone number 5. E-mail Id	 Not Applicable Mr. Ravi Prem Chief Operation Officer - Engineering + 91 22 2847 6581 ravi.prem@forbes.co.in

2. Principle –wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted Nine (9) areas of Business Responsibility. These briefly are as follows:

P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 Businesses should promote the wellbeing of all employees.

P4 Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

P5 Businesses should respect and promote human rights

P6 Businesses should respect, protect and make efforts to restore the environment

P7 Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to consumers and consumers in a responsible manner.

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify ?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board ? If yes, has it been signed by MD/ owner/CEO/appropriate Board Director. Indicate the link for the policy to be viewed online?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

* www.forbes.co.in

(b) If the answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

There are no immediate plans to get independent audit/ evaluation of the working of Policy by any internal/external agency.

3. Governance related to BR

a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the company. With 3 months, 3-6 months, Annually, more than 1 year: Annually.

b. Does the Company publish a BR or a Sustainability Report ? What is the hyperlink for viewing this report? How frequently it is published?:

BR Report would be published on an annual basis. The same is also available at the Company's website viz. www.forbes.co.in

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? No

Does it extend to the Group/Joint Ventures/Suppliers/ Contractors /NGOs/Others? Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? NIL

If so, provide details thereof, in about 50 words or so: Not Applicable

Principle 2-

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.

a) Spring Washers
b) HSS Taps
c) Carbon Taps and Dies

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

- Reduction in Energy consumption by changing to Servo Motors, which has improved the power factor by 5%.
- Reduction in RM consumption due to reduction in rejection by 0.5%
- Energy consumption reduction by 4% by reducing number of heat-ups and Cooling cycles of furnace.
- Mineral based emulsion as coolant changed to vegetable based oil, saving 1000 Liters of water every week.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

All Factory CFL Lighting is replaced by LED thereby reducing consumption of energy by 20% for lighting load.

STP water is being processed and used for Green Development/ Garden.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? Yes, Partially and is a continues process.

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Our sustainable sourcing is aimed at social progress, economic development and reduces environmental impacts by contributing to following strategic focus areas:

Energy Management, Environment Responsibility, Product Stewardship, Occupational Health and Safety and Social Institution Building. Our sustainable sourcing ethos focusses on key parameters:

• Environment protection
• Safe disposal
• Contract worker care
• Community support
• Supplier collaboration

The Company has adopted environmental management system to effectively manage its activities like manufacturing, distribution and the use of chemicals in the products. For improving human health impacts and the protection of environment. The Company ensures 100% compliance to statutory laws and regulations, and labour laws by its contractors

The Company has policy to select plating vendors who are compliant with pollution norms and have requisite approvals from the Pollution Control Board. The Company also endeavours to select vendors who have Quality Management Systems (QMS) Certification.

Company has made annual rate contracts with transporters for inbound as well as outbound goods movement.

4. **Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?** Yes

a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

The Company has established its supply chain of Semi-Finished goods in and around Aurangabad and Mumbai. In order to ensure sustainable sourcing practices, Company has launched initiatives like local vendor engagement, and supplier query redressal. We are determined to reinforce local manufacturing and developing import substitutes.

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as < 5%, 5-10%, >10%). Also provide details thereof, in about 50 words or so.**

STP having 10 CMD is available and the water so treated is used for Green Initiatives. ETP is of capacity 1 CMD is available and the treated water is disposed off through CETP and Sludge is disposed off to MEPL, Pune.

Principle 3

1. **Please indicate the total number of permanent employees:** 452

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 308

3. **Please indicate the number of permanent women employees:** 17

4. **Please indicate the number of permanent employees with disabilities:** Nil

5. **Do you have an employee association that is recognised by management:** YES

6. **What percentage of your permanent employees is member of this recognised employee association?:** 16.90 %

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year:** Nil

8. **What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?: a) Permanent Employees: 90%; b) Permanent Women Employees: 70 %; c) Casual /Temporary/Contractual Employees: 88.88%; d) Employees with Disabilities:** Not Applicable.

Principle 4

1. **Has the company mapped its internal and external stakeholders?** Yes

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?** Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**

As part of corporate social responsibility programme following initiatives are identified and implemented

a) Education: Support for Construction of an Municipality school building

b) Sanitation: For society at large in Maharashtra and in Alibag to improved sanitation condition in that area.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors /NGOs /others?**

The Policy is applicable to the Company and its subsidiaries and its vendors.

2. **How many stakeholders complaints have been received in the past financial year?** Nil

3. **What percentage was satisfactorily resolved by the management?** Not Applicable

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others.**

The Policy is applicable to the Company and its subsidiaries and its vendors.

2. **Does the company have strategies /initiatives to address global environment issues such as climate change, global warming, etc?**

The Company ensures that all waste is sent only to Government-authorised disposal agencies. Effluents generated are treated to meet the most stringent state and central regulatory requirements. The Company has invested in ETP and STP to extract value from waste water and using that water for its green initiative.

3. **Does the company identify and assess potential environmental risks?** Yes

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?** Not applicable

5. **Has the company undertaken any other initiatives on- clean technology, energy efficiency, renewable energy, etc**

The company has earmarked the money for installing Solar Panels for generating 1 MW energy, which will be used for captive consumption, thereby contribution to green initiatives. This will be completed is the financial year ending March 31, 2020.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?** Yes

7. **Number of show cause / legal notices received from CB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.** None

Principle 7

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

Yes. Some of the organisations are-
(a) Bombay Chamber of Commerce & Industry
(b) Confederation of Indian Industry,
(c) Indian Merchants' Chamber,
(d) The Council of EU Chambers of Commerce in India and
(e) Indian Cutting Tools Manufacturer's Association.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No, If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?**

Yes. The Company participates in consultations of Economic Reforms,Tax, and other legistations through the association with which the Company is registered.

Principle 8

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8 ? If yes details thereof.** No.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization ?** No.

3. **Have you done any impact assessment of your initiative ?** No

4. What is your company's direct contribution to community development projects:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	**CSR Project or activity Identified**	**Sector in which the Project is covered**	**Local area/ the State and district where projects or programs were undertaken**	**Amount outlay project or programs wise**	**Direct expenditure on projects**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency**
							(₹ In Lakhs)
1	Supporting School	Promoting Education	Aurangabad Maharashtra	57.41*	33.27*	33.27*@	Direct
2	Environment Preservation	Environment Sustainability	Aurangabad Maharashtra	8.08**	8.08**	8.08**	Direct
3	Sanitation	Sanitation	Alibaug, Maharashtra	6.40	6.40	6.40	Panchsheel Hitawardhini Mandal Trust

* Includes ₹ 11.72 Lacs pertaining to FY 2017-18. The Construction could start only after receipt of requisite approvals.

** Pertains to FY 2017-18 (spent in FY 2018-19)

@ The Company has committed and earmarked balance unspent amount of ₹ 24.14 Lakhs for FY 2018-19 towards construction of a municipal school building in Aurangabad. The construction work is expected to be completed by July' 2019.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CRS activities were pursued in line with the Company's policy.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year:** NIL

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/ NA /Remarks (additional information):** No, currently the Company displays information as mandated by law.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year. If so provide details thereof, in about 50 words or so:** No

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

   The Company is a Tier 1 supplier to all the automotive Original Equipment Manufactures (OEMs) for Spring washers which is part of their Bill of Material. These Original Equipment Manufactures (OEMs) provide Ratings to the company, as per their Satisfaction levels.

CORPORATE GOVERNANCE REPORT

Corporate Governance Policy

The Company believes in the highest standards of good and ethical corporate governance practices. Good governance practices stem from the culture and mindset of the organization. It is therefore not merely about enacting policies regulations and procedures but also about establishing an environment of trust and confidence among various shareholders.

The Company's philosophy on the Code of Governance is that the Company should follow contemporary corporate practices and the guiding principle of the Code of Governance of the Company is Harmony i.e.:

(a) Balancing need for transparency with the need to protect the interest of the Company;
(b) Balancing the need for empowerment at all levels with the need for accountability; and
(c) Interaction with all stakeholders including shareholders, employees, lenders and regulatory authorities.

Code of Ethics

The Company has strong and consistent legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Ethics for Board of Directors and Senior Management (the ''Code''). The Code has been communicated to the Directors and the members of the Senior Management. The Company has also adopted a Code of Conduct for Non-Executive Directors of the Company. All Board members and senior management have confirmed compliance with the Code for the year ended March 31, 2019. The Non-Executive Directors of the Company have also confirmed compliance with the Code of Conduct for the Non-Executive Directors for the year ended March 31, 2019. The Annual Report contains a declaration to this effect signed by the Managing Director.

Code of Practices and Procedures for Fair Disclosure and Conduct

In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a Code for Prevention of Insider Trading & Code of Corporate Disclosure Practices (''Insider Trading Code'') based on the principle that Directors, Officers, and Employees of the Company owe a fiduciary duty to the members of the Company to place the interest of the members above their own and conduct their personal securities transactions in a manner that does not create any conflict of interest situation. The Insider Trading Code also seeks to ensure timely and adequate disclosure of Price Sensitive Information to the investors by the Company to enable them to take informed investment decisions with regard to the Company's securities. The Chief Financial Officer of the Company is responsible for implementation of the Insider Trading Code.

Board of Directors

The Board of Directors as on March 31, 2019 comprised of Six (6) Directors. The Chairman of the Board is non-executive. Five (5) (83%) Directors are Non-Executive and 3 (50%) are Independent Directors.

The composition of the Board is in conformity with Regulation 17 of Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015 ('SEBI LODR').

The Company is managed by the Managing Director under the supervision, direction and control of the Board. The Managing Director is assisted by a team of highly qualified and experienced professionals. None of the Independent Directors serve as an Independent Director in more than seven listed entities. None of the Directors of the Company are members in more than 10 mandatory committees nor act as a Chairman in more than 5 mandatory committees of public companies.

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the time limit prescribed in Regulation 17(2) of SEBI LODR. Eight meetings were held during the Financial Year ('FY') ended March 31, 2019 viz. on April 30, 2018, May 28, 2018, August 8, 2018, September 25, 2018, October 24, 2018, February 7, 2019, February 14, 2019 and February 27, 2019.

The terms and conditions of appointment of the Independent Directors and the details of familiarization programme to them are available on the website of the Company www.forbes.co.in

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI LODR and are independent of the Management.

All the information required to be placed before the Board of Directors under Regulation 17 (7) of SEBI LODR, has been duly placed. The Agenda along with explanatory notes are sent in advance to the Directors.

The names and categories of the Directors on the Board, their attendance at the Board Meetings and Annual General Meeting ('AGM') held during the year, the number of Chairmanships / Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ('the Act') and the Committees of Board (Chairmanship /Membership of Board Committees include only Audit Committee and Stakeholders Relationship /Investors Grievance Committee across all public limited companies (listed as well as unlisted) including those of the Company), held by them as on March 31, 2019 are as follows:

Name of the Director	Category	Number of Board Meetings during the F.Y 2018-19		Attendance at AGM held on September 25, 2019	Number of Shares/ Convertible instruments held	Relation-ship with Director	No. of Directorships in all Public Companies	No. of Committee positions held in all Public Companies		Directorship in other listed entity (Category of Directorship)
		Held	Attended					Chairman	Member	
Mr. Shapoor P. Mistry DIN:00010114	Non- Executive, Non-Independent	8	4	Yes	Nil	None	3	Nil	Nil	Nil
Mr. M. C. Tahilyani DIN:01423084	Non-Independent, Executive	8	8	Yes	Nil	None	6	Nil	2	Nil
Mr. Kaiwan D. Kalyaniwalla* DIN: 00060776	Non-Executive, Independent	8	8	Yes	Nil	None	5	4	Nil	1. Modern India Limited (Independent Non-Executive) 2. Allcargo Logistics Limited (Non-Independent-Non-Executive)
Mr. D. Sivanandhan DIN:03607203	Non-Executive, Independent	8	7	No	Nil	None	8	Nil	3	1. United Sprits Limited (Independent, Non-Executive) 2. RBL Bank Limited (Independent, Non-Executive) 3. Kirloskar Industries Limited (Independent, Non-Executive)
Mr. Jai L. Mavani DIN:05260191	Non- Executive, Non-Independent	8	7	Yes	Nil	None	4	Nil	Nil	Nil
Ms. Aslesha A. Gowariker ** DIN: 03634905	Non-Executive, Independent	2	1	N.A.	Nil	None	N.A.	N.A.	N.A.	N.A.
Ms. Rani Ajit Jadhav *** DIN:07070938	Non-Executive, Independent	5	4	No	Nil	None	4	0	3	Procter & Gamble Health Limited (Independent, Non-Executive)

* Ceased to be Director w.e.f. the close of business hours on March 31, 2019

** Ceased to be Director w.e.f. June 12, 2018

*** Appointed as an Independent Director w.e.f. September 1, 2018

The Board has identified following skills/expertise/competencies for effective functioning of the Company which are currently available with the Board:

- Marketing, Sales and Synergies;
- Finance, Strategy and HR Management; and
- Corporate Governance and Administration.

Familiarization Programme for Independent Directors

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/her, which inter alia explains the role, function, duties and responsibilities expected from him/her as a Director of the Company. The Independent Directors of the Company were also provided with necessary documents/ brochures, reports and internal policies to familiarize them about the industry, business operations and functioning of various divisions/departments of the Company. The details of familiarization programme imparted to the Independent Directors are available on the Company's website at www.forbes.co.in

Meeting of Independent Directors

The Independent Directors meet to discuss:

a) Evaluation of the performance of Non-Independent Directors and the Board as a whole.
b) Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non Executive Directors.
c) Evaluation of quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Meeting of Independent Director is attended by all Independent Directors.

CEO/CFO Certification

As required by the Regulation 17(8) of SEBI LODR, the Certificate from Mr. M. C. Tahilyani, Managing Director and Mr. Nirmal Jagawat, Chief Financial Officer is placed before the Board of Directors.

Audit Committee

In compliance with section 177 of the Act and Regulation 18 of SEBI LODR the terms of reference of the Audit Committee are as under:

I. the recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

II. review and monitor the auditor's independence and performance, and effectiveness of audit process;

III. examination of the financial statement and the auditors' report thereon;

IV. approval or any subsequent modification of transactions of the Company with related parties;

V. scrutiny of inter-corporate loans and investments;

VI. valuation of undertakings or assets of the Company, wherever it is necessary;

VII. evaluation of internal financial controls and risk management systems;

VIII. monitoring the end use of funds raised through public offers and related matters;

IX. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

X. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

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

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

XIII. Discussion with internal auditors of any significant findings and follow up thereon;

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

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

XVI. To look into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders and creditors;

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

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

XIX. Reviewing, with the management, financial statements, with particular reference to:

   a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;

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

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

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

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

f) Disclosure of any related party transactions; and

g) Qualification in the draft audit report.

XX. Reviewing the utilization of loans and/or advances from/ investment by the Company in the subsidiary exceeding ₹ 100 crores or 10 % of the assets size of the subsidiary, whichever is lower including existing loans/advances/investments.

XXI. Such other functions/duties as may be prescribed by the Act, or SEBI (LODR), 2015 (as amended from time to time); and such other functions/duties as may be entrusted by the Board from time to time.

In addition to the above the Audit Committee also reviews the information listed in Schedule II of Part C (B) of SEBI LODR.

Composition of Audit Committee

The Audit Committee of the Board has been constituted in compliance with the provision of Regulation 18 of SEBI LODR read with Section 177 of the Act. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and 1 Executive Director. The Chairman of the Audit Committee is an Independent Director.

All members are financially literate and at least one member has Accounting expertise. The Audit Committee meetings are attended by Chief Financial Officer, Statutory Auditors and Head of Internal Audit and the functional heads as and when required. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings was not more than four months. Audit Committee meetings were held on April 30, 2018, May 28, 2018, August 8, 2018, October 24, 2018, February 14, 2019 and February 27, 2019.

The Composition of the Committee and details of meeting attended by its members is as follows:

Name of the Director	Category	No. of Audit Committee meetings held	No. of meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman*	Non-Executive, Independent	6	6
Mr. D. Sivanandhan	Non-Executive, Independent	6	6
Mr. M. C. Tahilyani	Non-Independent, Executive	6	6

* Ceased to be Director and Member w.e.f. close of business hours on March 31, 2019.

The Annual General Meeting/Extraordinary General Meeting is attended by the Chairman of the Committee/Member of the Committee authorised by the Chairman of the Committee.

Nomination and Remuneration Committee

In compliance with Section 178 of the Act and Regulation 19 of SEBI (LODR), 2015, the Board had constituted Nomination and Remuneration Committee. The Committee comprises of 3 Non-Executive members of whom 2 are Independent Non-Executive Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director.

The meetings of Nomination and Remuneration Committee were held on April 30, 2018, August 24, 2018 and September 25, 2018. The Composition of the Committee and details of meeting attended by its members is as follows:

Name of the Director	Category	No. of Audit Committee meetings held	No. of meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman*	Non-Executive, Independent	3	3
Mr. D. Sivanandhan Chairman	Non-Executive, Independent	3	2
Mr. Shapoor P. Mistry	Non-Executive, Non-Independent	3	1

* Ceased to be Director and Member w.e.f. the close of business hours on March 31, 2019.

The Annual General Meeting/Extraordinary General Meeting is attended by the Chairman of the Committee/Member of the Committee authorised by the Chairman of the Committee.

The terms of reference of Nomination and Remuneration Committee includes:

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

b) Formulation of criteria for evaluation of Independent Directors and the Board;

c) Devising a policy on Board diversity;

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

e) To recommend extending or continuing the terms of appointment of Independent Directors, on the basis of report of performance evaluation of Independent Director;

f) Recommend to the Board, all remuneration, in whatever form payable to senior management and

g) Such other functions/duties as may be entrusted by the Board from time to time

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Directors' Report.

The Committee determines and recommends to the Board the compensation of the Managing Director. The Committee makes periodic appraisal of the performance of the Managing Director. The Company does not have any stock options scheme.

Details of remuneration paid to Directors during the year ended March 31, 2019 are as follows:

a) Non-Executive Directors:

(₹ in Lakhs)

Name of Director	Sitting Fees
Mr. Shapoor P. Mistry	2.50
Mr. Kaiwan D. Kalyaniwalla*	9.00
Mr. D. Sivanandhan	8.00
Mr. Jai L. Mavani	3.50
Ms. Aslesha A. Gowariker **	1.00
Ms. Rani Ajit Jadhav ***	2.00

*Ceased to be Director w.e.f. the close of business hours on March 31, 2019
**Ceased to be Director w.e.f. June 12, 2018
***Appointed as Director w.e.f. September 1, 2018

No commission was paid to any Non-Executive Director during FY 2018-19.

b) Managing Director

(₹ in Lakhs)

Sr.	Particulars	Mr. M. C. Tahilyani
a.	Salary and allowance	127.78
b.	Pension Contribution to PF and Superannuation Fund	6.80
c.	Annual Performance Incentive & Ex-Gratia	82.87
	Total	217.45
d.	Break up of fixed components and performance linked incentives with performance criteria	Item C is performance linked, others are fixed. Performance criteria include level of profits, reduction of costs, improvement of liquidity, steps taken for growth of business of the Company and its subsidiaries.
e.	Service contracts	April 28, 2016 to April 27, 2021 (subject to retirement policy of the Company)
f.	Notice period	Six months
g.	Severance fees	Nil
h.	Stock options	Nil

Stakeholders' Relationship Committee

In compliance with the provisions of section 178 of the Act and Regulation 20 of SEBI (LODR), 2015, the terms of reference of the 'Stakeholders Relationship Committee' includes:

a) Approval of Share Transfers / Deletion of Name/s / Transposition of Name/s, Dematerialization / Re-materialization of Shares;

b) Approval of Transmission of Shares;

c) Approval for issue of Duplicate/Replacement/Renewal of Share Certificates;

d) Resolution of all the grievances of the security holders;

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

f) Review of adherence to the service standards adopted in respect of various services being rendered by Registrar & Share Transfer Agents;

g) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividend s and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company and

h) Such other functions/duties as may be entrusted by the Board from time to time.

The Composition of Stakeholders' Relationship Committee is as follows:

Name	Category
Mr. Kaiwan D. Kalyaniwalla – Chairman*	Non-Executive, Independent Director
Mr. M. C. Tahilyani	Executive Director
Mr. D. Sivanandhan	Non-Executive, Independent Director

*Ceased to be Director and Member w.e.f. close of business hours on March 31, 2019

The Company Secretary also functions as Compliance Officer.

During the year under review, the Company received 3 (three) shareholder's complaints which were resolved and there were no pending complaints at the end of the year. No transfers were pending as on March 31, 2019.

The Annual General Meeting/ Extraordinary General Meeting is attended by the Chairman of the Committee/Member of the Committee authorised by the Chairman of the Committee.

Corporate Social Responsibility Committee

Pursuant to section 135 of the Companies Act, a Corporate Social Responsibility (CSR) Committee of the Board was constituted. The Company has formulated a policy for its CSR activities and the duties and responsibilities of the Committee includes-

a) Review of the CSR activities to be undertaken by the Company. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Act and this Policy;

b) Formulate and recommend the projects to be supported to the Board and the CSR activities/programs to be undertaken by the Company;

c) Recommend the CSR expenditure to be incurred on the CSR activities/programs;

d) Institute a mechanism for implementation of the CSR projects and activities and effectively monitor the execution of the CSR activities;

e) Appointment of a working group called the CSR Team to help it enable the implementation of the CSR projects/activities; and

f) Such other responsibilities as may be entrusted by the Board from time to time.

The Composition of the Committee is as follows:

Name of Director	Category
Mr. D. Sivanandhan Chairman	Non-Executive, Independent Director
Mr. M. C. Tahilyani	Executive, Non-Independent Director
Ms. Aslesha A. Gowariker*	Non-Executive, Independent
Mr. Jai Mavani **	Non-Executive, Non – Independent director

* Ceased to be member w.e.f. June 12, 2018
** Appointed as member w.e.f. September 25, 2018

General Body Meetings

a. The details of date, time and venue of the Annual General Meeting held during the last three years till March 31, 2019 are as under:

Particulars	Date	Time	Venue
97th Annual General Meeting	August 24, 2016	4.00 p.m.	"Rangswar", 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021
98th Annual General Meeting	August 24, 2017	4.00 p.m.	Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020
99th Annual General Meeting	September 25, 2018	4.00 p.m.	Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020

b. Details of Special Resolutions passed in the General Meetings during previous 3 years

August 24, 2016 (AGM)	Issue of Non-Convertible Debentures through Private Placement upto ₹ 150 Crores.
	Approval of remuneration of Mr. Ashok Barat as Managing Director.
	Appointment and Remuneration of Mr. M. C. Tahilyani as Managing Director of the Company
September 25, 2018 (AGM)	Authority to Borrow upto ₹ 1000 Crores
	Authority to Create Charges upto ₹ 1000 Crores
	Issue of Non-convertible Debentures/Bonds through Private Placement
March 29, 2019 (EGM)	Sale of 50 % of the Business Undertaking in Project Vicinia

c. Details of Special Resolutions passed through Postal Ballot:

May 28, 2018 — Authority to increase the limits under Section 186 of the Companies Act, 2013 for Inter-Corporate Loans, Investments, Guarantees and Security

Voting pattern

Category	Mode of Voting	No. of shares held	No. of votes polled*	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]*100	(4)	(5)	(6)=[(4)/(2)]* 100	(7)=[(5)/(2)]* 100
Promoter and Promoter Group	E-Voting	95,25,691	0	0	0	0	0	0
	Postal Ballot		93,59,293	98.25	93,59,293	0	100	0
	Total		**93,59,293**	**98.25**	**93,59,293**	**0**	**100**	**0**
Public – Institution	E-Voting	16,12,304	11,48,255	71.22	11,48,255	0	100	0
	Postal Ballot		0	0	0	0	0	0
	Total		**11,48,255**	**71.22**	**11,48,255**	**0**	**100**	**0**
Public- Non Institutions	E-Voting	17,60,621	6,154	0.35	4,255	1,899	69.14	30.86
	Postal Ballot		5,323	0.30	5,323	0	100	0
	Total		**11,477**	**0.65**	**9,578**	**1,899**	**83.45**	**16.55**
Total		**1,28,98,616**	**1,05,19,025**	**81.55**	**1,05,17,126**	**1,899**	**99.98**	**0.03**

*No. of Votes polled does not include "No. of Votes Invalid" and "No. of Votes Abstain".

d. **Person who conducted the Postal Ballot exercise**

Mr. Makarand M Joshi, Partner, M/s Makarand M Joshi & Co., Practicing Company Secretaries,

e. **Whether any Special Resolution is proposed to be conducted through Postal Ballot**

The Company has sent Postal Ballot Notice dated May 30, 2019 for following Special Resolutions:

i. Re-appointment of Mr. D Sivanandhan as an Independent Director for a second term of five years with effect from August 6, 2019 and

ii. Remuneration of Mr. M. C. Tahilyani as Managing Director for two years commencing from April 28, 2019.

Related Party Transactions

All related party transactions entered into during the financial year were on arm's length basis and were in the ordinary course of business.

All related party transaction are placed before the Audit Committee for approval.

The Board has approved policies for determining material subsidiaries and related party transactions which has been uploaded on the Company website viz www.forbes.co.in

Statutory Compliances

The Company has ensured necessary compliance with the requirements of the Stock Exchange, SEBI and other authorities related to capital market and the details of non-compliance and penalties are not applicable.

Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177 of the Act and Regulation 22 of SEBI (LODR), 2015, the Board has established a vigil mechanism for the Directors and employees of the Company to report genuine concerns about unethical behavior actual or suggested fraud or violation of the Company's Code of Conduct or ethics. The Company has in place Whistle Blower Policy to provide mechanism for Director or employee of the Company to approach the Chairman of the Audit Committee. The Policy is available on the Company's website viz. www.forbes.co.in

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Company has complied with all the mandatory requirements of SEBI (LODR), 2015. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI (LODR), 2015 is as follows:

- **Shareholders' Rights:** As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.

- **Audit Qualifications:** The Statutory Auditors Report on the Company's standalone financial statement for the financial year 2018-19 does not contain any audit qualification.

- **Separate posts of Chairman and CEO:** The Chairman of the Board is a Non- Executive Director. The Company has appointed Managing Director to take care of the day-to-day affairs of the Company. The position of the Chairman and Managing Director are separate.

Means of Communication

The quarterly, half yearly and annual results are generally published in the Financial Express (English daily) and Mumbai Lakshadeep (regional language newspaper). The financial results, shareholding patterns are also available on the website of the Company, i.e. www.forbes.co.in

The Company does not have a practice of making presentation to institutional investors and analysts. Management Discussion and Analysis forms part of Annual Report.

General Shareholders Information

AGM-Date, time and Venue: The Next Annual General Meeting of the Company is scheduled on Monday, the August 26, 2019 at 4.00 PM at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020

Financial Year	The Company follows the April – March financial year
Book Closure Date	The Register of Members and the Share Transfer Book of the Company will remain closed from Tuesday, August 20, 2019 to Monday, August 26, 2019
Listing on Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.
Stock Code	502865 (ISIN-INE518A01013)

Equity shares of the Company are listed on BSE Limited only and Company has paid the annual listing fees before the due date.

Market Price Data for the Shares of Face Value ₹ 10 each is as under:

Month	Forbes High	Forbes Low	No. of Shares	BSE Index High	BSE Index Low	BSE 500 High	BSE 500 Low
April'2018	4,150.00	3,100.00	1,28,345	35,213.30	32,972.56	15,064.12	14,159.26
May'2018	3,950.00	3,250.00	33,751	35,993.53	34,302.89	15,109.38	14,351.64
June'2018	3,298.75	2,500.00	32,219	35,877.41	34,784.68	14,936.98	14,314.91
July'2018	2,824.40	2,133.00	42,197	37,644.59	35,106.57	15,327.53	14,379.24
August'2018	2,950.00	2,449.00	35,769	38,989.65	37,128.99	15,906.13	15,205.80
September'2018	2,800.00	2,052.50	36,324	38,934.35	35,985.63	15,937.92	14,337.77
October'2018	2,139.90	1,801.05	35,233	36,616.64	33,291.58	14,564.81	13,287.30
November'2018	2,718.90	1,925.00	54,597	36,389.22	34,303.38	14,481.82	13,874.76
December'2018	2,650.00	2,300.00	16,626	36,554.99	34,426.29	14,681.14	13,735.91
January'2019	2,400.00	1,945.00	19,687	36,701.03	35,375.51	14,595.97	14,001.25
February'2019	2,085.00	1,802.00	10,741	37,172.18	35,287.16	14,553.39	13,839.50
March'2019	2,494.40	2,000.00	39,992	38,748.54	35,926.94	15,316.93	14,246.80

Registrars and Share Transfer & Agents

The Company has appointed TSR Darashaw Consultants Private Limited (TSRD) as its Registrar & Share Transfer Agents. Shareholders are advised to approach TSRD on the following address for any queries and problems related to shares held in physical form:

TSR Darashaw Consultants Private Limited
(Formerly TSR Darashaw Limited)
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E.Moses Road, Near Famous Studio,
Mahalaxmi, Mumbai-400 011.
Tel.: +91 22 6656 8484 Fax.: +91 22 6656 8496
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Share Transfer System

The Stakeholders Relationship Committee of the Board of Directors of the Company inter alia monitors Share Transfers/Deletion of Name/s/Transposition of Name/s, Transmission, dematerialization and re-materialization of shares. Shares of the Company are traded compulsorily in dematerialized form.

Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 has been amended, mandating transfer of securities in dematerialized form. The said restriction is not applicable to request received for effecting transmission or transposition, deletion of name in respect of shares held in physical form or transfer deeds once lodged prior to April 1, 2019 and returned due to deficiency in the document and re-lodged.

The shareholders holding shares in physical forms are requested to get their shares dematerialised to avoid any inconvenience in the future while transferring their shares.

Distribution of Shareholding as on March 31, 2019

Category	No. of Shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,343	0.86
Financial Institutions/ Banks	18,815	0.15
Insurance Companies	500	0.00
Mutual Fund	394	0.00
FII & NRI/FBC	15,16,943	11.76
Public	17,25,930	13.38
Total	**1,28,98,616**	**100.00**

Distribution by size as on March 31, 2019

Holding	No. of Shareholders	No. of Shares	% to Shares
1 to 500	14,928	8,18,044	96.99
501 to 1000	282	2,00,366	1.83
1001 to 2000	103	1,41,351	0.67
2001 to 3000	30	74,870	0.19
3001 to 4000	16	56,667	0.10
4001 to 5000	5	22,202	0.03
5001 to 10000	11	71,395	0.07
10001 & above	17	1,15,13,721	0.11
Total	**15,392**	**1,28,98,616**	**100.00**

Status of dematerialization of shares and liquidity as on March 31, 2019

Details	No. of shares	% of Share Capital	No. of Accounts
Nationalized Securities Depository Ltd. (NSDL)	1,18,50,458	91.87	6,314
Central Depository Services(India) Ltd. (CDSL)	5,57,485	4.32	4,527
Total dematerialized	1,24,07,943	96.20	10,841
Physical	4,90,673	3.80	4,551
Total	**1,28,98,616**	**100**	**15,392**

Outstanding Employee Stock Options, GDRs, ADRs, etc.

The Company has not issued any GDRs/ADRs/Warrants. There are no outstanding Foreign Currency Convertible Bonds ("FCCBs") and Employee Stock Options.

No funds were raised during the year through preferential allotment or qualified institutional placement.

Foreign exchange risk and hedging activities

The Company has a foreign exchange risk management policy for managing foreign currency exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures. During the year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note 2 (xviii) to the standalone financial statements describes the accounting policy relating to the foreign currency transactions and translations.

Credit Tating

Credit ratings obtained along with revisions thereto during FY 2018 -19, for all debt instruments in India.

Rating Agency	Date	Credit Rating	
		Short-Term	Long-Term
CARE Ratings Ltd.	As on April 1, 2018	-	CARE AA-;Stable
CARE Ratings Ltd.	September 20, 2018	-	CARE AA-;Stable
ICRA Ltd.	As on April 1, 2018	[ICRA]A1+	[ICRA]AA- (Negative)
ICRA Ltd.	October 26, 2018	[ICRA]A1+	[ICRA] A+(Negative)

Plant Locations

Plot B-13,Waluj Industrial Area
Waluj,
Aurangabad-431 133

A7, MIDC Area
Chikalthana, Aurangabad – 431 210

Chandivali Estate
Saki Powai Road
Mumbai-400 072

Address for correspondence

Shareholders holding shares in physical mode are requested to direct all equity shares related correspondence /queries to TSR and only the non-shares related correspondence and complaints regarding TSR should be addressed to the Compliance Officer at the registered office of the Company. Shareholders holding shares in electronic mode (dematerialized form) should address all shares related correspondence to their respective Depository Participants only.

Secretarial Auditors' Certificates

1. Certificate dated May 22, 2019 issued by Makarand M. Joshi & Co., Practicing Company Secretaries certifying that none of the Directors of the Company have been debarred or disqualified form being appointed or continuing as Directors by the Board/ Ministry of Corporate Affairs or any such statutory authority.

2. The Certificate dated May 30, 2019 issued by Makarand M. Joshi & Co., Company Secretaries on compliance with the Corporate Governance requirements by the Company is annexed herewith.

DECLARATION UNDER REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for Board of Directors and Senior Management for the year ended March 31, 2019.

For Forbes & Company Limited

M. C. Tahilyani
Managing Director
DIN : 01423084

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
FORBES & COMPANY LIMITED
Forbes Building
Charanjit Rai Marg, Fort, Mumbai - 400001

We have examined the compliance of conditions of corporate governance by FORBES & COMPANY LIMITED ("the Company"), for the year ended on March 31, 2019, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the Company with stock exchange(s).

The compliance of conditions of corporate governance is responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

For Makarand M. Joshi & Co
Practicing Company Secretaries,

Place: Mumbai
Date: May 30, 2019

Makarand Joshi
Partner
Membership No. 5533
CP No. 3662

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
Forbes & Company Limited,
Forbes Building,
Charanjit Rai Marg, Fort, Mumbai - 400001.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Forbes & Company Limited having CIN L17110MH1919PLC000628 and having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai - 400001 (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 Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Date of appointment in Company
1.	Mr. Shapoor Pallonji Mistry	00010114	03/09/2001
2.	Mr. M. C. Tahilyani	01423084	28/04/2016
3.	Mr. Jai Laxmikant Mavani	05260191	22/05/2012
4.	Mr. Sivanandhan Dhanushkodi	03607203	14/03/2012
5.	Ms. Rani Ajit Jadhav	07070938	01/09/2018

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.

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: May 22, 2019

STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF ANNUAL REPORT OF FORBES & COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2019

Independent Auditors' Report

To the Members of Forbes & Company Limited
Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Forbes & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
(a) Impairment risk of investment in and receivables from a wholly owned subsidiary and (b) Financial exposure relating to guarantee given to the same subsidiary (Refer Notes 8, 9, 11, 39 and 40 to the standalone financial statements) The Company has investment aggregating ₹ 7,934.82 Lakhs in Forbes Technosys Limited (FTL), a wholly owned subsidiary and also has financial exposure by way of outstanding receivables aggregating ₹ 337.85 Lakhs and financial guarantees to FTL amounting to ₹ 17,920 Lakhs. During the year ended March 31, 2019, FTL has earned total comprehensive income aggregating ₹ 3.26 Lakhs and FTL's current liabilities exceeded its current assets by ₹ 4,937.76 Lakhs. This is an indicator of potential impairment of the investments, outstanding receivables and financial exposure relating to financial guarantees given. The management has estimated that FTL's net recoverable value is sufficient to cover the cumulative carrying value of total exposure in FTL comprising investments, outstanding receivables and liability, if any, towards financial guarantees, basis valuation performed by the management's expert who is an independent professional valuer.	Our procedures in relation to management's assessment of impairment risk and financial exposure included the following: • Evaluating and validating the design and operating effectiveness of the controls over determination of recoverable value of investments and receivable (including valuation model, assumptions and judgements); • Assessing the accuracy and reasonableness of the input data provided by the Management by way of agreeing with approved budgets; • Analysis of past trends by comparing the historical results vis-à-vis corresponding budgets; • Evaluating management expert's independence, competence, capabilities and objectivity; • Assessing along with the auditors' experts the reasonableness of the Company's process regarding impairment assessment and assumptions used in the impairment model; • Developing independent expectations regarding the impairment testing based on our understanding of the business, external industry trends and the subsidiary's historic business activity; • Evaluating the Company's impairment testing results against our expectations;

Key audit matter	How our audit addressed the key audit matter
The recoverable value of the investment has been determined using the discounted cash flow method, transaction multiple method and market multiple method, which involved significant estimates and judgement, including earning growth rate, cost escalation/savings, discount rate, terminal growth rate, transaction multiples etc. and is highly dependent on the management expert's inputs and assumptions, and is hence considered as a Key Audit Matter.	• Performing sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions could lead to impairment; and • Testing the mathematical accuracy of the underlying calculations. Based on the above procedures performed, the management's assessment in respect of impairment risk of investment in and receivables from a wholly owned subsidiary, and financial exposure relating to guarantee is considered to be reasonable.
First time implementation of Revenue recognition standard (Ind-AS 115) for Real Estate Development Activities (Refer Notes 25 and 52 to the standalone financial statements) Consequent to the implementation of Ind-AS 115, effective April 1, 2018, there has been change in the Company's policy for revenue recognition in respect of its real estate development projects. The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind-AS 115 involves significant judgement by the Management. Revenue recognition for real estate development activities is considered as a key audit matter considering significance of amounts involved, substantial transitional impact due to implementation of Ind-AS 115 along with related disclosures and involvement of management judgement in establishing enforceable right to payment for performance completed to date.	Our audit procedures included obtaining a listing of contracts with customers from the Management, and carrying out a combination of testing of internal financial controls with reference to financial statements for revenue recognition over real estate projects and test of details on a sample of transactions, which included: • Obtaining an understanding of the process and testing key controls followed by the management over revenue recognition for real estate development projects including controls surrounding implementation of Ind-AS 115; • Evaluating existence and completeness of the list of contracts with customers, and examining the mathematical accuracy including impact of transitional adjustments as on April 1, 2018; • Obtaining evidence regarding the transfer of control considering the criteria as per Ind-AS 115 for ensuring existence of enforceability of payment for work completed to date; and • Testing the accuracy and completeness of disclosures in the standalone financial statements including those relating to the change in the accounting policy for revenue recognition as per the requirements of the applicable Indian Accounting Standards. Based on the above audit procedures performed, we did not come across any significant exceptions with regard to the first time implementation of Ind-AS 115 in respect of real estate development activities.
Assessment of Provisions and Contingent Liabilities Refer to Notes 19A and 39 to the standalone financial statements. As at March 31, 2019, in respect of certain direct, indirect tax matters and other litigations, the Company had recognised provisions aggregating ₹ 277.98 Lakhs and disclosed contingent liabilities aggregating ₹ 12,432.50 Lakhs. The Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties, during the normal course of business. There is a high level of management judgement required in estimating the level of provisioning and/or the disclosures required. The judgement of the Management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and Balance Sheet position. We considered the above area as the key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved.	Our audit procedures included the following: • Understanding and evaluating the process and controls designed and implemented by the management including testing relevant controls; • Obtaining the details of the related matters, inspecting the supporting evidences and assessing management's evaluation through discussions with management on both the probability of the ultimate outcome and the magnitude of financial impact; • Reading recent orders and/ or communication received from the tax authorities/ with certain other parties and management responses to such communication; • Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluation of the grounds presented therein; • Evaluating independence, objectivity and competence of the management's tax / legal consultants; • Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had direct discussion with them as and when required.

Key audit matter	How our audit addressed the key audit matter
	• Understanding the current status of the direct and indirect tax assessments/ litigations; • Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures. • Assessing the adequacy of disclosures in the standalone financial statements. Based on the above procedures we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.

Other Information

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

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

   Responsibilities of management and those charged with governance for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. 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.

11. 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.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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

13. 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 B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Notes 19A and 39 to the standalone financial statements;

        ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 30, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Forbes & Company Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. 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 (ICAI). 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to 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 controls with reference to 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 with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 30, 2019

Annexure B to Independent Auditors' Report
Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The Company has a policy of physical verification of fixed assets once in two years, pursuant to which, the fixed assets of the Company have not been physically verified by the Management during the current year. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, other than self-constructed properties, as disclosed in Notes 5, 6 and 14 on fixed assets to the standalone financial statements, are held in the name of the Company, except in respect of the following:

₹ in Lakhs

Particulars	**Gross Block (Cost)**	**Net Block (WDV)**	**Remarks**
Land and building in Mumbai and Delhi	26.88	13.14	Held in the name of Gokak Patel Volkart Limited, 2nd erstwhile name of the Company. (Includes land cost ₹ 7.80 Lakhs and WDV – ₹ 4.70 Lakhs under 'Prepaid Leasehold Assets' in Note 14 – Other Assets and investment properties costing ₹ 19.08 Lakhs and WDV- ₹ 8.44 Lakhs is reflected under Note 6 – Investment Properties).
Lease rights for land and self-constructed building at Fort, Mumbai in the possession of Company	1,129.42	446.04	The property is in the name of 'Forbes Forbes Campbell & Co. Limited' and the Company has made an application for renewal of lease, for which approval is awaited from authorities. Building cost - ₹ 976.95 Lakhs and WDV - ₹ 385.83 Lakhs reflected under Note 6 – Investment Properties and Building costing ₹ 152.47 Lakhs and WDV - ₹ 60.21 Lakhs as reflected in Note 5 – Property, Plant and Equipment.
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai.	1,624.96	1,564.67	The premises are in the name of Forbes Gokak Limited, the 3rd erstwhile name of the company. Includes Building cost – ₹ 7.92 Lakhs and WDV - ₹ 4.10 Lakhs classified under Note 5- Property, Plant & Equipment, investments properties costing ₹ 1,615 .38 Lakhs, WDV - ₹ 1,559.87 Lakhs included in Note 6 and cost of ₹ 1.65 Lakhs, WDV – ₹ 0.70 Lakhs under 'Prepaid Leasehold Assets' in Note 14 – Other Assets).
Premises at Chennai	40.76	-	This investment property is in the name of Facit Asia Limited, an entity merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).
Premises at Tuticorin	27.36	13.16	This investment property is in the name of Volkart India Limited, an entity merged with Patel Volkart Limited (which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name).

ii. The physical verification of inventory (excluding stocks with third parties and real estate work-in-progress) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material. Further, in respect of real estate work-in-progress, inventories comprising of expenditure incurred on acquisition of development rights and other expenditure on construction and development thereof have been physically verified by the management during the year.

iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer Note 39 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2019, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	14.97	Financial Year 2000-01	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax	808.45	Financial Years 2007-08 to 2012-13	Commissioner of Service Tax
The Customs Act, 1962	Penalty	100.00	Financial Year 2011-12	High Court of Kerala
The Central Excise Act, 1944	Excise Duty (including interest and penalty, as applicable)	2,782.37	Financial Years 2003-04 to 2015-16	Appellate Authority – up to Customs, Excise & Service Tax Appellate Tribunal
Sales Tax Laws	Sales Tax (including interest and penalty, as applicable)	586.54	Financial Years 1990-91 to 1994-95, 1997-98 to 2006-07, 2008-09 to 2009-10, 2013-14 and 2014-15	Appellate Authority – up to Sales Tax Appellate Tribunal.

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank or dues to debenture holders as at the Balance Sheet date. The Company neither has any loans or borrowings from financial institutions or Government as at the Balance Sheet date, therefore the provisions of Clause 3(viii) of the Order, to that extent, are not applicable to the Company.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied on an accrual basis for the purposes for which they were obtained. As the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 30, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2019 ₹ in Lakhs	*As at 31st Mar., 2018 ₹ in Lakhs*
Assets					
1 Non-current assets					
Property, plant and equipment	**5**			**5,090.86**	*4,981.58*
Capital work-in-progress	**5.1**			**409.79**	*105.73*
Investment Properties	**6**			**2,560.12**	*2,542.91*
Other Intangible assets	**7**			**224.73**	*97.25*
Intangible assets under development	**7.1**			**23.09**	*85.60*
Financial Assets:					
i) Investments					
Investments in subsidiaries	**8A**	24,289.84			*20,624.29*
Investments in associates	**8B**	-			*-*
Other Investments	**8C**	0.68			*0.65*
			24,290.52		*20,624.94*
ii) Loans	**10A**		134.38		*125.29*
iii) Other financial assets	**11A**		2.57		*1.06*
				24,427.47	*20,751.29*
Tax assets					
i) Deferred tax assets (net)	**20**		4,992.42		*2,126.22*
ii) Income tax assets (net)	**24**		1,303.53		*2,113.33*
				6,295.95	*4,239.55*
Other non-current assets	**14A**			**1,122.87**	*804.09*
Total Non-current assets				**40,154.88**	*33,608.00*
2 Current assets					
Inventories	**12**			**28,308.95**	*8,789.99*
Financial Assets:					
i) Trade receivables	**9**		4,113.48		*3,862.55*
ii) Cash and cash equivalents	**13A**		824.18		*2,168.21*
iii) Bank balances other than (ii) above	**13B**		164.71		*118.15*
iv) Loans	**10B**		23.07		*39.72*
v) Other financial assets	**11B**		332.41		*4,774.06*
				5,457.85	*10,962.69*
Other current assets	**14B**			**693.01**	*532.18*
				6,150.86	*11,494.87*
Asset classified as held for sale	**6.1**			**4.42**	*1.98*
Total Current assets				**34,464.23**	*20,286.84*
Total Assets				**74,619.11**	*53,894.84*

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2019 ₹ in Lakhs	*As at 31st Mar., 2018 ₹ in Lakhs*
Equity and Liabilities					
Equity					
Equity share capital	**15**		1,289.86		*1,289.86*
Other equity	**16**		22,121.85		*26,565.89*
Total Equity				**23,411.71**	*27,855.75*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**17**	6,226.21			*8,208.22*
ii) Other financial liabilities	**18A**	230.16			*515.32*
			6,456.37		*8,723.54*
Provisions	**19A**		560.64		*1,342.55*
Total Non-current liabilities				**7,017.01**	*10,066.09*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**22**	5,313.11			*6,890.84*
ii) Trade payables	**23**				
a) total outstanding dues of micro enterprises and small enterprises; and		438.75			*365.12*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,149.19			*3,421.65*
iii) Other financial liabilities	**18B**	6,629.97			*2,544.90*
			16,531.02		*13,222.51*
Other current liabilities	**21**		27,096.99		*1,765.22*
Provisions	**19B**		500.53		*468.30*
Current tax liabilities (net)	**24**		61.85		*516.97*
Total Current Liabilities				**44,190.39**	*15,973.00*
Total Liabilities				**51,207.40**	*26,039.09*
Total Equity and Liabilities				**74,619.11**	*53,894.84*

Significant Accounting Policies **2**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	₹ in Lakhs	Year Ended 31st Mar., 2019 ₹ in Lakhs	*Year Ended 31st Mar., 2018 ₹ in Lakhs*
I	Revenue from operations	25	22,727.58		*29,743.91*
II	Other income	26	1,811.23		*753.98*
III	**Total Income (I + II)**			**24,538.81**	*30,497.89*
IV	**Expenses:**				
	Real estate development costs	27	7,554.91		*6,404.34*
	Cost of materials consumed	28A	8,709.34		*6,792.46*
	Excise duty	51	-		*410.87*
	Purchases of stock-in-trade		14.36		*16.36*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28B	(8,412.92)		*(778.86)*
	Employee benefits expenses	29	4,481.44		*4,260.01*
	Finance costs	30	1,200.76		*1,172.79*
	Depreciation and amortisation expense	31	946.97		*795.87*
	Other expenses	32A	8,034.22		*6,817.08*
	Total expenses (IV)			**22,529.08**	*25,890.92*
V	**Profit before exceptional items and tax (III - IV)**			**2,009.73**	*4,606.97*
VI	Exceptional items (net)	32B		**(970.92)**	*-*
VII	**Profit before tax (V + VI)**			**1,038.81**	*4,606.97*
VIII	**Tax expense / (credit):**				
	(a) Current tax (including MAT credit utilised ₹ 670.97 Lakhs *(Previous year ₹ Nil)*)	33	188.00		*1,050.00*
	(b) Deferred tax (including MAT credit availed of ₹ Nil *(Previous year ₹610.98 Lakhs)*)	33	(176.38)		*(533.04)*
				11.62	*516.96*
IX	**Profit for the year**			**1,027.19**	*4,090.01*
X	**Other Comprehensive Income**				*-*
	(i) Items that will not be reclassified to Statement of Profit and Loss				
	Remeasurement of the defined benefit plans			**0.98**	*4.19*
	(ii) Income tax relating to these items			**0.34**	*1.45*
				0.64	*2.74*
XI	**Total Comprehensive Income for the year (X + XI)**			**1,027.83**	*4,092.75*
XII	**Earning per equity share :**				
	Basic and diluted earnings per equity share	34		**₹ 7.96**	*₹ 31.71*

Significant Accounting Policies 2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

		Year Ended 31st Mar., 2019 ₹ in Lakhs		*Year Ended 31st Mar., 2018 ₹ in Lakhs*	
	Cash flows from operating activities				
	Profit before tax		**1,038.81**		*4,606.97*
	Adjustments for -				
	Depreciation and amortisation expense	**946.97**		*795.87*	
	Interest income earned on financial assets that are not designated as at fair value through profit or loss :				
	(i) Bank deposits	**(32.62)**		*(5.29)*	
	(ii) Inter-corporate deposits	**(9.38)**		-	
	Finance costs	**1,200.76**		*1,172.79*	
	Dividend Income from long-term investments	**(0.04)**		*(0.07)*	
	(Gain)/loss on disposal of property,plant and equipment	**(124.37)**		*28.25*	
	(Gain)/loss on disposal of current investments	**(137.08)**		*(12.29)*	
	Provision for doubtful trade receivables	**26.36**		*14.60*	
	Provision for doubtful loans and advances	**52.05**		*0.08*	
	Trade receivables written off	**-**		*2.21*	
	Advances written off	**-**		*5.32*	
	Gain on fair value of long-term investments in a subsidiary company	**(140.05)**		*(136.32)*	
	Net (gain) arising on financial assets designated as at FVTPL	**(76.46)**		*(101.23)*	
	Credit balances / excess provision written back	**(749.13)**		*(42.56)*	
	Net unrealised exchange loss	**(20.83)**		*(3.56)*	
			936.18		*1,717.80*
	Exceptional items:				
	- Gain on transfer of interest	**(84.90)**		-	
	- Expected out flow for disputed matters	**1,055.82**		-	
			970.92		-
			1,907.10		*1,717.80*
	Operating profit before working capital changes		**2,945.91**		*6,324.77*
	Changes in working capital:				
	Decrease in trade and other receivables	**(323.09)**		*(783.22)*	
	(Increase) in inventories	**(8,355.68)**		*(1,394.45)*	
	(Increase)/ decrease in other assets	**(182.19)**		*372.08*	
	Increase/(decrease) in trade and other payables	**1,004.96**		*(364.75)*	
	(Decrease)/increase in provisions	**(86.63)**		*38.13*	
	(Decrease)/increase in other liabilities	**10,939.97**		*(213.60)*	
			2,997.34		*(2,345.81)*
	Cash inflow / (outflow) from operations		**5,943.25**		*3,978.96*
	Income taxes paid (net of refunds)		**166.69**		*(1,306.76)*
(a)	**Net cash flow inflow / (outflow) from operating activities**		**6,109.94**		*2,672.20*
	Cash flows from investing activities:				
	Payments for property, plant and equipment (including investment properties and intangible assets)	**(1,711.69)**		*(1,510.05)*	
	Proceeds from disposal of property, plant and equipment	**126.50**		*26.78*	
	Restitution for termination of agreement for development of project (net of incidental expenses incurred)	**(15,300.00)**		-	
	Proceeds from slump sale	**15,384.90**		-	
	Purchase / subscription of long-term investments				
	- in subsidiaries	**(3,505.00)**		*(1,000.00)*	
	- others	**(0.03)**		-	
	Payment for disputed matters	**(1,055.82)**		-	
	Purchase of current investments	**(7,563.00)**		*(4,257.70)*	
	Proceeds from sale of current investments	**7,700.08**		*4,270.00*	
	Loans and advances given to related parties	**(700.00)**		-	
	Loans and advances given to related parties realised	**700.00**		-	
	Bank balances not considered as cash and cash equivalents	**(48.07)**		*(48.05)*	
	Interest received	**35.17**		*7.08*	
	Dividend received	**0.04**		*0.07*	
(b)	**Net cash (outflow) / inflow from investing activities**		**(5,936.92)**		*(2,511.87)*

	Year Ended 31st Mar., 2019 ₹ in Lakhs		*Year Ended 31st Mar., 2018 ₹ in Lakhs*	
Cash flows from financing activities:				
Proceeds from long-term borrowings	**7,700.00**		-	
Repayment of long-term borrowings	**(6,000.00)**		*(103.77)*	
Proceeds from short-term borrowings	**12,748.74**		*33,890.84*	
Repayment of short-term borrowings	**(19,639.58)**		*(31,920.09)*	
Net Increase in cash credit, overdraft balances and commercial papers	**5,313.11**		-	
Finance costs paid	**(1,267.85)**		*(1,127.76)*	
Dividend paid on equity shares	**(305.19)**		*(322.47)*	
Tax on dividend	**(66.28)**		*(65.65)*	
(c) Net cash inflow / (outflow) from financing activities		**(1,517.05)**		*351.10*
(d) Net increase in cash and cash equivalents (a + b + c)		**(1,344.03)**		*511.43*
(e) Cash and cash equivalents as at the commencement of the year		**2,168.21**		*1,657.06*
(f) Effects of exchange rate changes on cash and cash equivalents		**-**		*(0.28)*
(g) Cash and cash equivalents as at the end of the year (d + e + f) (Refer Note 13A)		**824.18**		*2,168.21*

Reconciliation of cash and cash equivalents as per the cash flow statements

Cash and cash equivalents as per above comprise of the following	**31st Mar., 2019 ₹ in Lakhs**	*31st Mar., 2018 ₹ in Lakhs*
Balances with bank		
- In current accounts	**509.05**	*2,004.43*
- In EEFC Accounts	**15.79**	*60.54*
Cheques, drafts on hand	**296.02**	*97.49*
Cash on hand	**3.32**	*5.75*
Balances as per statement of cash flows	**824.18**	*2,168.21*

Notes: - -

1. The above Cash Flow Statement has been prepared under the “”Indirect Method”” setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
2. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
3. a) 8% Cumulative Optionally Convertible Preference Shares, 8% Cumulative Compulsory Convertible, b) Optionally Redeemable Preference Shares and c) 10% Non Cumulative Non Convertible, Non Participating Preference Shares investments in Forbes Technosys Limited have been changed to 10% Optionally Redeemable, Compulsorily convertible, Non-Cumulative Preference Shares during the previous year and has no cashflow impact.
4. Other bank balances (Refer Note 13B) at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 17.28 Lakhs *(Previous year ₹0.00 Lakhs)* and (ii) margin money deposits ₹ 147.43 Lakhs *(Previous year ₹ 64.88 Lakhs)* includes as security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Company.

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

Statement of changes in Equity for the year ended 31st March, 2019

a. Equity share capital ₹ in Lakhs

Particulars	Amount
Balance as at 31st March, 2017	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2018	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2019	**1,289.86**

b. Other equity ₹ in Lakhs

	Reserves and surplus			
Particulars	**General Reserves**	**Debenture redemption reserve**	**Retained earnings**	**Total**
Balance as at 31st March, 2017	**16,188.60**	**2,500.00**	**4,172.66**	**22,861.26**
Profit for the year	-	-	4,090.01	4,090.01
Other comprehensive income for the year, net of tax	-	-	2.74	2.74
Total comprehensive income for the year	**-**	**-**	**4,092.75**	**4,092.75**
Transactions with owners in their capacity as owners				
Payment of dividends on equity shares	-	-	(322.47)	(322.47)
Dividend Distribution Tax	-	-	(65.65)	(65.65)
Total transactions with owners in their capacity as owners	**-**	**-**	**(388.12)**	**(388.12)**
Balance as at 31st March, 2018 (as originally presented)	**16,188.60**	**2,500.00**	**7,877.29**	**26,565.89**
Change in accounting policy (Refer Note 52)			(5,083.12)	(5,083.12)
Restated Balance at 1st April, 2018 (a)	**16,188.60**	**2,500.00**	**2,794.17**	**21,482.77**
Profit for the year	-	-	1,027.19	1,027.19
Other comprehensive income for the year, net of income tax	-	-	0.64	0.64
Total comprehensive income for the year (b)	**-**	**-**	**1,027.83**	**1,027.83**
Transactions with owners in their capacity as owners				
Payment of dividends on equity shares	-	-	(322.47)	(322.47)
Dividend Distribution Tax	-	-	(66.28)	(66.28)
Total transactions with owners in their capacity as owners (c)	**-**	**-**	**(388.75)**	**(388.75)**
Balance as at 31st March, 2019 (a+b+c)	**16,188.60**	**2,500.00**	**3,433.25**	**22,121.85**

For significant accounting policies, Refer Note 2
The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

1. GENERAL INFORMATION

Forbes & Company Limited ("the Company") is one of the oldest companies of the world that is still in existence. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Group and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding company is Shapoorji Pallonji and Company Private Limited. The Company is mainly engaged in the business of manufacturing, sales of engineering products, real estate development projects and leasing of premises. It is listed on the Bombay Stock Exchange. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ('the Act') read together with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

These financial statements are presented in addition to the consolidated financial statements presented by the Company.

ii) Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for the following;

- Certain financial assets and liabilities (including derivative instruments) is measured at fair value;
- assets held for sale - measured at fair value less cost to sell or their carrying amount whichever is lower;
- defined benefit plans - plan asset measured at fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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; and
- Level 3 inputs are unobservable inputs for the asset or liability

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Company and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for engineering business and 48 months for real estate business for the purpose of classification of its assets and liabilities as current and non current .

These financial statements are presented in Indian Rupees (₹) which is the Company's functional currency. All amounts are rounded off to the nearest lakhs (including two decimals), unless otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

iii) Investments in subsidiaries, associates and joint ventures

Subsidiaries:

Subsidiaries are all entities over which the Company has control, including through its subsidiaries. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in subsidiaries are accounted at cost less provision for impairment.

Associates:

An associate is an entity over which the Company has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted at cost less provision for impairment.

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company had joint ventures.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint ventures are accounted at cost less provision for impairment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

The Company has elected the exemption of previous GAAP carrying value of all its investments in subsidiaries, associates and joint ventures recognised as of 1st April, 2015 (transition date) as deemed cost except in case of Shapoorji Pallonji Forbes Shipping Limited.

iv) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and includes directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Freehold land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on property, plant and equipment has been provided on straight line method as per the useful lives estimated by management. The life of the assets has been assessed based on technical evaluation which are higher than those specified by Schedule II to the Act, taking into account the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds on sale with carrying amount. These are included in Statement of Profit and Loss within other gains / losses.

The estimated useful lives of the property, plant and equipment are as under:

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	30 - 60 years
b	Plant and Equipment	10 - 15 years
c	Furniture and Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 5 years and Data processing equipments 3 years.
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land (including investment properties)	Lower of the useful life in the range of 30 - 60 years and the lease term except in certain building useful life is based on technical certification
g	Temporary structures (included in building)	4 years

Fixed assets individually costing ₹ 5,000 and less are depreciated fully in the year of purchase.

v) Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of lease hold land is equivalent to the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

vii) Intangible Assets

Intangible assets, being computer software, are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost comprises acquisition and implementation cost of software for internal use (including software coding, installation, testing and certain data conversion).

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Research costs are charged to the Statement of Profit and Loss as they are incurred.

Cost of software is amortised over a period of 5 years being the estimated useful life.

viii) Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

ix) Impairment of Assets

The Company assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount (cash generating unit). The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

x) Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

xi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification:

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and amounts that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from revenue transactions, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets and risk exposure, 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. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Derecognition of financial assets

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Borrowings are intially recognised at fair value, net of transaction costs incurred.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

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 financial 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 where appropriate.

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

xii) Inventories

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis. Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as “Real Estate Work in Progress” under Note 12 Inventories.

Real estate development work-in-progress cost includes construction and development cost, allocated interest and other overheads related to projects under construction and is valued at lower of cost and net realizable value

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.

xiii) Earnings per share

Basic Earnings per share are calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xiv) Employee Benefits

a) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

b) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined Contribution plans such as superannuation and employee state insurance scheme.

- Defined Benefit plans such as gratuity, provident fund, post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee).

Defined Contribution Plans

The Company's contribution to superannuation fund, pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of Superannuation, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plans

In case of Provident fund, contributions are made to a Trust administered by the Company. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method."

Eligible employees receive benefits from a provident fund which is defined benefit plan. Both the employees of the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to Forbes & Company Ltd. Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent acturial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

d) A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

xv) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

1 <u>Sale of goods</u>:

Revenue from the sale of goods is recognised when control of the products has been transferred based on agreed terms and there is no unfulfilled obligation which could affect the customers acceptance of the products.

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Sales are recognised, net of estimated returns, trade discounts, taxes as applicable.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component

b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred

c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

As part of the adoption of the new standard, contract assets and contract liabilities are new additions to the Balance Sheet disclosure. A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

2 <u>Sale of Services</u>:

a) Commission income is recognised as per terms of agreement with repective party and in the period in which services are rendered.

b) Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

3 <u>Interest and Dividend Income</u>:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

4 <u>Export Incentives</u>:

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

xvii) Revenue from real estate contracts (applicable for the year ended 31st March, 2019):

In respect of real estate development projects undertaken by the Company, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revene over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customers acceptance of the real estate units.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units on transfer of control of the real estate units to the customers.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Revenue from real estate contracts (applicable for the year ended 31st March, 2018):

In respect of property development projects undertaken by the Company, the Company follows percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the following conditions are completed:

a. All critical approvals for commencement of the project have been obtained; and

b. The actual construction and development cost incurred is at least 25% of the total construction and development cost; and

c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and ;

d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

Determination of revenues under the percentage completion method necessarily involves making estimates by the Company some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion and the expected revenue from the project and the foreseeable losses to completion.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units upon achieving threshold percentage of actual project cost incurred (excluding development rights and borrowing cost) as against the total estimated cost of the project (excluding development rights and borrowing cost).

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

xviii) Foreign currency transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

xix) Lease accounting

Operating Leases

Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance leases

Leases, where the lessor transfers, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance lease.

Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

xx) Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xxi) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. These are recognised in the Statement of Profit and Loss on a systematic basis over the period in line with the related costs.

xxii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

xxiii) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker in order to effectively allocate the Company's resources and assess performance.

xxiv) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

xxv) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

xxvi) Principles of business combinations

The acquisition method of accounting under Ind AS is used to account for business combinations by the Company from the date of transition to Ind AS i.e. 1st April, 2015. Prior to the date of transition to Ind AS, business acquisitions have been accounted based on previous GAAP.

xxvii) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.1.1.The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Company although the Company owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated 23rd February, 2016 whereby the

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Company does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

In case of real estate development, the Company's revenue and margin recognition policy, till 31st March, 2018 as set out in Note 2 (xvii), involved estimation as regards how the Company values the work it has carried out in each financial year and corresponding recognition of revenue and expenses. These policies require forecasts to be made of the outcomes of long-term real estate development services, which require assessments and judgements to be made mainly on sale considerations, changes in the plan/outlay of work and changes in costs.

3.2.2 Contingent Liabilities and Provisions

Contingent Liabilities and Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date.

3.2.3 Useful life and residual value of Property, Plant and Equipment (including investment properties)

As described in Note 2(iv) and 2(vi), the Company reviews the estimated useful life and residual values of property, plant and equipment at each reporting date.

3.2.4 Fair value measurement and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.

3.2.5 Impairment

Determining whether an asset is impaired requires as estimation of fair value/value in use. Such valuation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of investment in Forbes Technosys Limited, a subsidiary, as at 31st March, 2019 ₹ 7,934.82 Lakhs (as at 31st March, 2018 ₹ 6,913.00 Lakhs) and based on the valuation report there is no impairment.

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.2.7 Defined Benefit Obligations

The present value of defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period that have terms approximating to the terms of the related obligation.

3.2.8 Deferred Tax Asset

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

4. STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 – Leases

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after 1st April, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The Company has a number of material non-cancellable operating leases or leases having lease terms of more than 12 months that are impacted on adoption of this standard.

The main changes arising on the adoption of Ind AS 116 will be as follows:

1. In the Balance Sheet, interest-bearing borrowings and non-current assets will increase as obligations to make future payments will be recognised on the Balance sheet, along with the related 'right-of-use' (ROU) asset.

2. In the Statement of Profit and Loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on ROU assets on a straight line basis).

3. In the statement of cash flows, net operating cash flows is expected to increase, with a corresponding increase in financing cash outflows. This is because, earlier, companies presented cash outflows on former off balance sheet leases as operating activities. In contrast, applying Ind AS 116, principal repayments on all lease liabilities are included within financing activities along with interest.

The adoption of Ind AS 116 will require the Company to make a number of judgements, estimates and assumptions. The company is evaluating the impact of the standard on the financial position, results of operations and cashflows.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

The management is in process of evaluating the the impact of the amendment on the financial position. The Company will adopt the amendment from 1st April, 2019.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendment to Ind-AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. This interpretation is effective for annual periods beginning on or after 1st April, 2019. The Company is in process of evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. This interpretation is effective for annual periods beginning on or after 1st April, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant. The Company will adopt the amendment from 1st April, 2019.

Long-term Interests in Associates and Joint Ventures, Amendments to Ind AS 28

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified amendment to Ind AS 28, Investments in Associates and Joint Ventures.

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109, Financial Instruments before applying the loss allocation and impairment requirements in Ind AS 28 Investments in Associates and Joint Ventures.

The interpretation is effective for annual periods beginning on or after 1st April, 2019.

The company is evaluating the impact of the amendment on the financial position, results of operations and cashflows.

Annual Improvements to Ind AS

Ind AS 23, "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 103, "Business Combination"- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

Ind AS 111, "Joint arrangements"- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

Ind AS 12, "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

These interpretations are effective for annual periods beginning on or after 1st April, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that impact from the amendment would not be significant. The Company will adopt the amendment from 1st April, 2019.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

5A. Property, plant and equipment (Own, unless otherwise stated) for the year ended 31st March, 2019.

₹ In Lakhs

	Freehold Land	Building and structures	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment	Data processing equipments (Finance Lease)	As at 31st Mar., 2019
Cost or Deemed cost									
Balance at 1st April, 2018	**38.62**	**1,215.39**	**57.14**	**68.76**	**238.73**	**175.25**	**5,056.23**	**1.02**	**6,851.14**
Additions	-	4.36	-	30.02	5.12	0.13	906.62	-	946.25
Disposals	-	-	11.96	0.03	2.33	4.54	30.37	-	49.23
Balance at 31st March, 2019	**38.62**	**1,219.75**	**45.18**	**98.75**	**241.52**	**170.84**	**5,932.48**	**1.02**	**7,748.16**
Accumulated depreciation									
Balance at 1st April, 2018	**-**	**344.47**	**29.98**	**45.99**	**161.35**	**113.64**	**1,173.11**	**1.02**	**1,869.56**
Eliminated on disposals of assets	-	-	11.96	0.03	2.33	4.23	26.14	-	44.69
Depreciation expense for the year	-	190.77	10.85	15.54	27.70	16.33	571.24	-	832.43
Balance at 31st March, 2019	**-**	**535.24**	**28.87**	**61.50**	**186.72**	**125.74**	**1,718.21**	**1.02**	**2,657.30**
Carrying Amount									
Balance at 31st March, 2019	**38.62**	**684.51**	**16.31**	**37.25**	**54.80**	**45.10**	**4,214.27**	**-**	**5,090.86**

Notes:

1. Plant and equipment includes assets that are jointly owned having carrying amount of ₹ 1.27 Lakhs.

5B. *Property, plant and equipment (Own, unless otherwise stated) for the previous year ended 31st March, 2018.*

₹ In Lakhs

	Freehold Land	*Building and structures*	*Vehicles*	*Data processing equipments*	*Office equipments*	*Furniture and fixtures*	*Plant and equipment*	*Data processing equipments (Finance Lease)*	*As at 31st Mar., 2018*
Cost or Deemed cost									
Balance at 1st April, 2017	*38.62*	*1,226.77*	*57.14*	*53.68*	*218.06*	*163.47*	*3,827.56*	*1.02*	*5,586.32*
Additions	*-*	*56.38*	*-*	*15.33*	*20.67*	*12.05*	*1,283.44*	*-*	*1,387.87*
Disposals	*-*	*-*	*-*	*0.25*	*-*	*0.27*	*54.77*	*-*	*55.29*
Transferred to Investment Properties (Refer Note 6)	*-*	*67.76*	*-*	*-*	*-*	*-*	*-*	*-*	*67.76*
Balance at 31st March, 2018	*38.62*	*1,215.39*	*57.14*	*68.76*	*238.73*	*175.25*	*5,056.23*	*1.02*	*6,851.14*
Accumulated depreciation									
Balance at 1st April, 2017	*-*	*190.74*	*18.66*	*30.14*	*129.24*	*92.04*	*734.01*	*1.02*	*1,195.85*
Eliminated on disposals of assets	*-*	*-*	*-*	*0.25*	*-*	*-*	*-*	*-*	*0.25*
Depreciation expense for the year	*-*	*189.38*	*11.32*	*16.10*	*32.11*	*21.60*	*439.10*	*-*	*709.61*
Transferred to Investment Properties (Refer Note 6)	*-*	*35.65*	*-*	*-*	*-*	*-*	*-*	*-*	*35.65*
Balance at 31st March, 2018	*-*	*344.47*	*29.98*	*45.99*	*161.35*	*113.64*	*1,173.11*	*1.02*	*1,869.56*
Carrying Amount									
Balance at 31st March, 2018	*38.62*	*870.92*	*27.16*	*22.77*	*77.38*	*61.61*	*3,883.12*	*-*	*4,981.58*

Notes:

1. Plant and equipment includes assets that are jointly owned having carrying amount of ₹ 2.22 Lakhs.

5.1 Capital work-in-progress

₹ In Lakhs

Particulars	**As at 1st Apr., 2018**	**Additions**	**Amounts Capitalised**	**As at 31st Mar., 2019**
Capital work in progress	105.73	1,335.16	1,031.10	409.79

Previous year

Particulars	*As at 1st Apr., 2017*	*Additions*	*Amounts Capitalised*	*As at 31st Mar., 2018*
Capital work in progress	*249.93*	*1,313.33*	*1,457.53*	*105.73*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Completed investment properties	**2,560.12**	*2,542.91*
Total	**2,560.12**	*2,542.91*

Cost or Deemed Cost		
Balance at 1st April, 2018 / 1st April, 2017	**2,765.28**	*2,630.03*
Additions	**84.85**	*69.66*
Transferred from property, plant and equipment (Refer Note 5A)	**-**	*67.76*
Property classified as held for sale (Refer Note 6.1)	**4.85**	*2.17*
Balance at 31st March, 2019 / 31st March, 2018	**2,845.28**	*2,765.28*

Accumulated depreciation		
Balance at 1st April, 2018 / 1st April, 2017	**222.37**	*124.74*
Transferred from property, plant and equipment (Refer Note 5A)	**-**	*35.65*
Property classified as held for sale (Refer Note 6.1)	**0.43**	*0.19*
Depreciation expense for the year	**63.22**	*62.17*
Balance at 31st March, 2019 / 31st March, 2018	**285.16**	*222.37*

Carrying amount		
Balance at 31st March, 2019 / 31st March, 2018	**2,560.12**	*2,542.91*

Notes:

(i) Investment properties include premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land with carrying amount ₹ 17.26 Lakhs *(Previous year ₹ 17.77 Lakhs)*, Jointly owned Residential Premises and Land with carrying amount ₹1,552.01 Lakhs *(Previous year ₹ 1,552.17 Lakhs)* and Shares in Co-operative Housing Societies, Association of apartment owners and in a company ₹ 0.17 Lakh *(Previous year ₹ 0.17 Lakh)*.

(ii) Investment properties includes the lease rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 385.82 Lakhs *(Previous year ₹ 424.41 Lakhs)* of which ₹ 60.21 Lakhs *(Previous year ₹ 66.23 Lakhs)* has been disclosed under property, plant and equipment (Refer Note 5) for which the Company has made an application for renewal of lease and approval from authorities awaited thereon.

6.1 The Company has entered into an agreement for sale of a flat and accordingly the carrying value aggregating ₹ 4.42 Lakhs *(Previous year ₹ 1.98 Lakhs)* of the asset has been shown as Asset classified as held for sale" on the face of Balance Sheet. The fair value of the aforesaid asset is ₹ 211 Lakhs *(Previous year ₹ 130 Lakhs)*.

6.2 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2019 and 31st March, 2018 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi, independent valuer not related to the Company. V.S. Modi is registered with the authority which governs the valuers in India, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2019 and 31st March, 2018 are as follows:

₹ In Lakhs

	Level 3	
Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Andhra Pradesh - Land	**28.51**	*27.45*
Delhi - Building	**199.68**	*191.53*
Gujarat - Land and Building	**515.24**	*492.97*
Kerala - Building	**830.98**	*827.81*
Maharashtra - Land and Building	**63,505.46**	*62,423.89*
Tamil Nadu - Land and Building	**295.36**	*290.00*
West Bengal - Building	**672.97**	*642.84*
Total	**66,048.20**	*64,896.49*

7. Other intangible assets (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
	Software / Licences acquired	*Software / Licences acquired*
Cost or Deemed cost		
Balance at 1st April, 2018 / 1st April, 2017	**203.18**	*138.94*
Additions during the year	180.00	*64.24*
Balance at 31st March, 2019 / 31st March, 2018	**383.18**	*203.18*
Accumulated amortisation		
Balance at 1st April, 2018 / 1st April, 2017	**105.93**	*80.65*
Amortisation charge for the year	52.52	*25.28*
Balance at 31st March, 2019 / 31st March, 2018	**158.45**	*105.93*
Carrying Amount		
Balance at 31st March, 2019 / 31st March, 2018	**224.73**	*97.25*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

7.1 Intangible assets under development

₹ In Lakhs

Particulars	As at 1st Apr., 2018	Additions	Amounts Capitalised	As at 31st Mar., 2019
Intangible asset under development	**85.60**	117.49	180.00	**23.09**

Previous year

Particulars	*As at 1st Apr., 2017*	*Additions*	*Amounts Capitalised*	*As at 31st Mar., 2018*
Intangible asset under development	*23.09*	*126.75*	*64.24*	*85.60*

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 31st Mar., 2019		*As at 31st Mar., 2018*	
	Qty	**Amount**	*Qty*	*Amount*
Unquoted Investments (all fully paid)				
a) Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	**50,385**	**6.82**	*50,385*	*6.82*
2. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	**38,64,131**	**1,781.78**	*38,64,131*	*1,781.78*
3. Equity component in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited	**-**	**1,686.26**	*-*	*1,686.26*
4. Equity shares of ₹ 10 each in Eureka Forbes Limited (Refer Note 2 below)	**37,78,000**	**6,572.86**	*37,28,000*	*4,067.86*
5. Equity shares of ₹ 10 each in Forbes Technosys Limited	**1,50,00,000**	**1,500.00**	*1,50,00,000*	*1,500.00*
6. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	**4,87,500**	**180.00**	*4,87,500*	*180.00*
7. Equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1 below)	**2,05,00,000**	**2,050.00**	*2,05,00,000*	*2,050.00*
8. Equity component in Zero Percent Redeemable Preference Shares of Shapoorji Pallonji Forbes Shipping Limited	**-**	**2,770.17**	*-*	*2,770.17*
9. Equity component in Financial Guarantee given to Forbes Technosys Limited	**-**	**419.30**	*-*	*397.48*
10. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 4 below)	**6,00,00,000**	**6,015.52**	*5,00,00,000*	*5,015.52*
11. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	**-**	**1.70**	*-*	*1.29*
b) Preference Shares (at amortised cost)				
1. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited	**3,09,00,000**	**907.12**	*3,09,00,000*	*809.93*
c) Debentures (at fair value through profit or loss)				
1. 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited	**1,72,67,500**	**398.31**	*1,72,67,500*	*357.18*
Total		**24,289.84**		*20,624.29*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

8B. Investments in associates

Particulars	As at 31st Mar., 2019 Qty	As at 31st Mar., 2019 Amount	*As at 31st Mar., 2018 Qty*	*As at 31st Mar., 2018 Amount*
Unquoted Investments (all fully paid)				
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	**58,849**	**-**	*58,849*	*-*
[Provision for impairment in value ₹ 5.88 Lakhs; *(Previous year ₹ 5.88 Lakhs)*]				
Total		**-**		*-*

8C Other investments
Non Current

Particulars	As at 31st Mar., 2019 Qty	As at 31st Mar., 2019 Amount		*As at 31st Mar., 2018 Qty*	*As at 31st Mar., 2018 Amount*	
Unquoted Investments (all fully paid)						
Equity Instruments (at fair value through Profit or Loss)						
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	**5,500**	**0.55**		*5,500*	*0.55*	
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce	**10**	**0.00**	*	*10*	*0.00*	*
[Provision for impairment in value ₹ 0.05 Lakhs; *(Previous year ₹ 0.05 Lakhs)*]						
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	**1,000**	**0.10**		*1,000*	*0.10*	
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited	**4,20,170**	**0.00**	*	*4,20,170*	*0.00*	*
[Provision for impairment in value ₹150.33 Lakhs; *(Previous year ₹150.33 Lakhs)*] (Refer Note 43)						
5. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited	**8,64,960**	**0.00**	*	*8,64,960*	*0.00*	*
[Provision for impairment in value ₹ 271.26 Lakhs; *(Previous year ₹271.26 Lakhs)*] (Refer Note 3 below)						
6. Equity shares of USD 1 each in Edumetry Inc. USA	**2,500**	**0.00**	*	*2,500*	*0.00*	*
[Provision for impairment in value ₹ 35.48 Lakhs; *(Previous year ₹ 35.48 Lakhs)*] (Refer Note 5 below)						
7. Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	**100**	**0.03**		-	-	
Total		**0.68**			*0.65*	

* Amount is below the rounding off norm adopted by the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Notes:

1. During one of the earlier year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary of the Company whereby 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, the Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same was disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017.

2. The Board vide resolution dated 22nd December, 2018 accorded its approval to subscribe to 50,000 equity shares of ₹10 each of Eureka Forbes Limited, subsidiary of the Company, offered to the Company on a rights basis in the proportion of 100 new equity share for every 7,456 equity shares held (100:7456) at a price of ₹5,010 per share. Accordingly the Company has invested ₹2,505 Lakhs Eureka Forbes Limited during the year.

3. Forbes Container Line Pte. Ltd., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.

4. During the previous year, the terms of the preference shares held in Forbes Technosys Limited had been changed to 10% Optionally Redeemable Compulsory Convertible Non Cumulative Preference Shares. The Board had approved the revised term sheet for preference shares issued by Forbes Technosys Limited in the Board Meeting held on 24th May, 2017.

5. Edumetry Inc., USA , a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements. The Company has made full provision for these investments in earlier years.

6. The Company has 25% ownership in Shapoorji Pallonji Forbes Shipping Limited (SPFSL) by virtue of joint venture agreement. However, SPFSL is consolidated as a subsidiary due to the Company's ability to appoint majority of directors on the Board of SPFSL and control activities / returns of this entity.

8D Category-wise investments – as per Ind AS 109 classification

₹ In Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Financial assets carried at fair value through profit or loss		
Equity Instruments	**0.68**	*0.65*
Debentures	**398.31**	*357.18*
	398.99	*357.83*
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	**4,456.43**	*4,456.43*
Equity components in financial guarantee	**421.00**	*398.77*
Preference shares classified as equity	**6,015.52**	*5,015.52*
Equity shares (Unquoted)	**12,091.46**	*9,586.46*
	22,984.41	*19,457.18*
Financial assets carried at amortised cost		
Preference shares	**907.12**	*809.93*
	907.12	*809.93*
Total	**24,290.52**	*20,624.94*
Note:		
Aggregate amount of unquoted investments (net of impairment)	**24,290.52**	*20,624.94*
Aggregate amount of impairment in value of investments	**463.00**	*463.00*

9. Trade receivables

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Trade receivables		
a) Secured, considered good	**16.50**	*18.99*
b) Unsecured, considered good	**4,096.98**	*3,843.56*
c) Doubtful	**851.57**	*863.59*
	4,965.05	*4,726.14*
Less: Allowance for doubtful debts (expected credit loss allowance)	**851.57**	*863.59*
Total	**4,113.48**	*3,862.55*

9.1 Trade receivables

Debts due by private companies in which a director is a director / member (₹ in Lakhs) (Refer Note 40)	**22.71**	*19.85*
Less : Allowance for doubtful debts (expected credit loss allowance)	**10.18**	*10.18*
Net Debts	**12.53**	*9.67*

For trade receivables from related parties (Refer Note 40).

The average credit period on sales is approximately 80 days *(Previous year 75 days)*. No interest is charged on trade receivables overdue.

There are no customers who represent more than 5% of the total balance of trade receivables.

Expected credit loss for trade receivables for the year ended 31st March, 2019

Ageing	**Not Due**	**0-90**	**91-180**	**181-365**	**Above 365**	**Total**
Gross carrying amount	2,795.91	878.91	197.00	213.16	880.07	4,965.05
Expected credit losses (loss allowance provision)	0.11	0.11	0.10	0.15	851.10	851.57
Carrying amount of trade receivable (net of impairment)	**2,795.80**	**878.80**	**196.90**	**213.01**	**28.97**	**4,113.48**

Expected credit loss for trade receivables for the year ended 31st March, 2018

Ageing	*Not Due*	*0-90*	*91-180*	*181-365*	*Above 365*	*Total*
Gross carrying amount	*2,789.69*	*821.77*	*144.31*	*107.60*	*862.77*	*4,726.14*
Expected credit losses	*0.17*	*0.12*	*0.16*	*0.37*	*862.77*	*863.59*
Carrying amount of trade receivable (net of impairment)	*2,789.52*	*821.65*	*144.15*	*107.23*	*-*	*3,862.55*

Movement in the allowance for doubtful debts

₹ in Lakhs

Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Opening balance	**863.59**	*849.94*
Impairment losses recognised on receivables	**104.41**	*74.25*
Amounts written off during the year as uncollectible	**(38.38)**	*(0.95)*
Amounts recovered during the year	**(78.05)**	*(59.65)*
Balance at end of the year	**851.57**	*863.59*

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Trade receivables of ₹851.57 Lakhs *(Previous year ₹863.59 Lakhs)* were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered.

10. Loans

10A. Non Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
a) Security deposits		
- Unsecured, considered good	**134.38**	*125.29*
- Unsecured, considered doubtful	**9.80**	*9.80*
Less : Allowance for bad and doubtful loans	**9.80**	*9.80*
Total (a)	**134.38**	*125.29*
b) Loans to others		
Secured, considered doubtful (Refer Notes 43 and 44)	**4,756.77**	*4,391.78*
Less : Allowance for bad and doubtful loans	**4,756.77**	*4,391.78*
Total (b)	**-**	*-*
Total (a+b)	**134.38**	*125.29*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

10B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Loans and advances to employees		
- Unsecured, considered good	**19.72**	*34.71*
- Doubtful	**3.13**	*2.88*
Less : Allowance for doubtful loans and advances	**3.13**	*2.88*
Total (a)	**19.72**	*34.71*
b) Security deposits		
- Unsecured, considered good	**3.35**	*5.01*
Total (b)	**3.35**	*5.01*
c) Loans to others		
- Unsecured, considered doubtful (Refer Notes 8 and 46)	**375.00**	*375.00*
Less : Allowance for bad and doubtful loans	**375.00**	*375.00*
Total (c)	**-**	*-*
Total (a+b+c)	**23.07**	*39.72*

Note: The above loans are carried at amortised cost.

Movement in the allowance for bad and doubtful loans and advances

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Balance at beginning of the year	**4,779.46**	*4,779.36*
Impairment losses recognised on receivables	**365.24**	*0.10*
Balance at end of the year	**5,144.70**	*4,779.46*

11. Other financial assets

11A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance held as margin money with banks with remaining maturity period of more than 12 months		
- Unsecured, considered good	**2.57**	*1.06*
Total	**2.57**	*1.06*

11B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Accruals:		
i) Interest accrued on deposits with bank	**0.72**	*0.60*
ii) Interest accrued on investments	**0.68**	*0.68*
iii) Interest accrued on loans (Refer Note 40)	**8.44**	*-*
Total (a)	**9.84**	*1.28*
b) Contractually reimbursable expenses from related parties	**321.84**	*227.43*
Total (b)	**321.84**	*227.43*
c) Other current receivables		
Unsecured, considered good	**0.73**	*0.64*
Total (c)	**0.73**	*0.64*
d) Unbilled Revenue	**-**	*4,544.71*
	-	*4,544.71*
Total (a+b+c+d)	**332.41**	*4,774.06*

12. Inventories

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Inventories (lower of cost and net realisable value)		
Raw materials including packing materials [In transit ₹ 13.41 Lakhs; *(Previous year ₹ 33.24 Lakhs)*]	**1,745.42**	*1,816.65*
Work-in-progress	**774.49**	*456.20*
Finished goods [In transit ₹ 205.11 Lakhs; *(Previous year ₹ 11.04 Lakhs)*]	**1,248.09**	*708.36*
Stores and spares	**236.64**	*222.64*
Real estate work-in-progress (Refer Note 52)	**24,304.31**	*5,586.14*
Total	**28,308.95**	*8,789.99*

Note:

The cost of inventories recognised as an expense includes ₹ (-)101.57 Lakhs *(Previous year ₹ 56.95 Lakhs)* in respect of write-downs / (reversal of write down) to net realisable value respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

13. 13A. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balances with Banks		
a) In Current Accounts	**509.05**	*2,004.43*
b) In EEFC Account [USD 16,268.49; *(Previous year USD 93,213.74)* and EUR 5,765.76; *(Previous year EUR Nil)]*	**15.79**	*60.54*
	524.84	*2,064.97*
Cheques on hand	**296.02**	*97.49*
Cash on hand	**3.32**	*5.75*
Total	**824.18**	*2,168.21*

13B. Other Bank balances

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Earmarked balance with the banks:		
- Unpaid dividends	**17.28**	*0.00 **
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited under lien.	-	*53.27*
c) Balances held as margin money / under lien with remaining maturity of less than 12 months	**147.43**	*64.88*
Total	**164.71**	*118.15*

* Amount is below the rounding off norm adopted by the Company.

14. Other assets

14A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Capital Advances	**586.69**	*237.47*
b) Prepaid expenses	**96.79**	*85.55*
c) Prepaid lease hold assets	**23.44**	*23.60*
d) Balances with government authorities		
- Unsecured, considered good	**7.66**	*49.18*
- Doubtful	**98.49**	*46.69*
Less : Allowance for doubtful balances	**98.49**	*46.69*
	7.66	*49.18*
e) Advance wealth tax	**408.29**	*408.29*
Total	**1,122.87**	*804.09*

14B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Advances for supply of goods and services		
- Unsecured, considered good	**239.61**	*162.97*
- Doubtful	**8.55**	*8.55*
Less : Allowance for doubtful advances	**8.55**	*8.55*
	239.61	*162.97*
b) Prepaid expenses	**213.65**	*99.39*
c) Prepaid lease hold assets	**0.17**	*0.46*
d) Balances with government authorities	**122.34**	*167.96*
e) Export incentives receivables	**117.24**	*101.40*
Total	**693.01**	*532.18*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

15. Equity share capital

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Authorised Share capital :		
1,50,00,000 fully paid equity shares of ₹ 10 each	**1,500.00**	*1,500.00*
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each		
(Previous year 1,28,98,616)	**1,289.86**	*1,289.86*
	1,289.86	*1,289.86*

Notes:

1 Fully paid equity shares

Particulars	Number of shares	Share Capital ₹ in Lakhs
Balance as at the year end	**1,28,98,616**	**1,289.86**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing 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.

2 Details of shares held by the holding company, its subsidiaries and associates

	Fully paid ordinary shares	
Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*
Forbes Campbell Finance Limited, subsidiary of the company	**1,66,398**	*1,66,398*
Total	**95,25,691**	*95,25,691*

3 Details of shares held by each shareholder holding more than 5% shares

	As at 31st Mar., 2019		*As at 31st Mar., 2018*	
Particulars	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*
India Discovery Fund Limited	**11,48,255**	**8.90**	*11,48,255*	*8.90*
Total	**1,05,07,548**	**81.46**	*1,05,07,548*	*81.46*

4 The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

16. Other equity

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
a) General reserve		
Balance as at the year end	**16,188.60**	*16,188.60*
b) Debenture redemption reserve (Refer Note 1 below)		
Balance as at the year end	**2,500.00**	*2,500.00*
c) Retained earnings		
Balance at beginning of the year (as origninally presented)	**7,877.29**	*4,172.66*
Change in accounting policy (Refer Note 52)	**(5,083.12)**	-
Restated Balance	**2,794.17**	*4,172.66*
Profit for the year	**1,027.19**	*4,090.01*
Other comprehensive income	**0.64**	*2.74*
Payment of dividends on equity shares	**(322.47)**	*(322.47)*
Dividend distribution tax	**(66.28)**	*(65.65)*
Balance at end of the year	**3,433.25**	*7,877.29*
Total	**22,121.85**	*26,565.89*

Note 1: The Company has issued Redeemable Non-convertible Debentures. The Companies (Share Capital and Debenture) Rules, 2014 (as amended), requires the Company to create Debenture Redemption Reserve out of profits of the Company available for payment of dividend for an amount equal to 25% of the value of debentures issued, for the purpose of redemption of debenture, which has been accordingly reflected above.

₹ in Lakhs

	31st Mar., 2019	*31st Mar., 2018*
(i) Equity shares		
Dividend for the year 31st March, 2018 of ₹ 2.50 *(Previous year: ₹ 2.50)* per fully paid share had been proposed by the directors in their meeting held on 28th May, 2018 *(Previous year: 24th May, 2017)* which has been approved by share holders at the Annual General Meeting held on 25th September, 2018 *(Previous year: 24th August, 2017)*.	**322.47**	*322.47*
Dividend distribution tax paid	**66.28**	*65.65*
Proposed dividend		
(ii) Dividend not recognised at the end of reporting year		
In addition to the above dividends, since year end, the board of directors have recommended the payment of a dividend of ₹ 2.50 for the year ended 31st March, 2019 and an additional Special Centenary Year Dividend of ₹ 2.50 per equity share *(Previous year dividend of ₹ 2.50 per equity share)*. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	**644.93**	*322.47*
Dividend Distribution Tax on proposed dividend	**132.57**	*66.28*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

17. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion As at 31st Mar., 2019	Non-current portion *As at 31st Mar., 2018*	Current maturities As at 31st Mar., 2019	Current maturities *As at 31st Mar., 2018*
Secured – at amortised cost				
(a) Debentures (Refer Note 1 below) Redeemable Non-Convertible Debentures - Secured by mortgage of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities.	-	*8,208.22*	**3,994.97**	*1,770.85*
(b) Term loans				
From banks				
i) Federal Bank - Secured by first charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [Repayable in 8 quaterly installments, after a moratorium period of 12 months. First installment is due in November 2019 and last installment is due in August 2021. Rate of interest is 9.25% p.a. MCLR + 0.5% spread]	**4,994.11**	-	**1,000.00**	-
ii) Zoroastrian Bank - Secured by an exclusive charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [Repayable in 30 monthly installments after a moratorium period of 6 months. First installment is due in July 2019 and last installment is due in January, 2022. Rate of interest is 9.50% p.a.]	**1,232.10**	-	**467.90**	-
	6,226.21	*8,208.22*	**5,462.87**	*1,770.85*
Less: Amount disclosed under "Other current financial liabilities"	-	-	**(5,462.87)**	*(1,770.85)*
Total	**6,226.21**	*8,208.22*	-	-

Note:

1. Details of Redeemable Non-Convertible Debentures issued by the Company:

Sr. No.	Face Value per Debenture and Date of Allotment	As at 31.03.2019 ₹ in Lakhs	*As at 31.03.2018 ₹ in Lakhs*	Coupon	Terms of Repayment
1	600 Debentures of face value of ₹ 10,00,000 each - 10th September, 2015	-	*6,000.00*	9.80% payable half yearly	The debentures were to be redeemed at par as follows: 30% at the end of 36 months i.e. on 10th September, 2018, 30% at the end of 48 months i.e. on 10th September, 2019 and 40% at the end of 60 months i.e. on 10th September, 2020. The company also had a put/ call option available to redeem the entire amount at the end of 36 months from the date of allotment i.e on 10th September, 2018. The company exercised the above option and redeemed the entire principal amount of debentures on 10th September, 2018.
2	400 Debentures of face value of ₹ 10,00,000 each - 20th July, 2016	**4,000.00**	*4,000.00*	9.10% payable half yearly (till 26th October, 2018) 9.35% payable half yearly (w.e.f 27th October, 2018)	Repayment due on 22nd July, 2019.
		4,000.00	*10,000.00*		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

18. Other financial liabilities

18A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Security deposits	**218.75**	*468.65*
Financial guarantee contracts	**11.41**	*46.67*
Total	**230.16**	*515.32*

18B. Current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Current maturities of long term borrowings	**5,462.87**	*1,770.85*
b) Interest accrued but not due on borrowings	**84.42**	*98.42*
c) Unpaid dividends **	**17.28**	*0.00**
d) Others :-		
- Payables on purchase of fixed assets	**166.04**	*75.85*
- Security deposits	**747.34**	*449.63*
- Financial guarantee contracts	**57.52**	*51.08*
- Other Payables	**94.50**	*99.07*
Total	**6,629.97**	*2,544.90*

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

* Amount is below the rounding off norm adopted by the Company.

19. Provisions

19A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Employee benefits		
Gratuity (Refer Note 35)	**22.62**	*59.26*
Other post retirement benefits (Refer Note 35)	**260.04**	*275.67*
b) Other Provisions (Refer Note 1 below)	**277.98**	*1,007.62*
Total (a+b)	**560.64**	*1,342.55*

19B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Employee benefits		
Compensated absences	**351.33**	*316.90*
Gratuity (Refer Note 35)	**105.72**	*92.96*
Other post retirement benefits (Refer Note 35)	**43.48**	*58.44*
Total	**500.53**	*468.30*

Note : 1

Other Provisions

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance at the beginning of the year	**1,007.62**	*995.97*
Add: Provisions made during the year	**22.00**	*142.95*
Less: Utilisation / reversal during the year	**751.64**	*131.30*
Balance at the end of the year	**277.98**	*1,007.62*

This provision represent the Company's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities.

20. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Deferred tax assets	**5,756.39**	*2,888.44*
Deferred tax liabilities	**(763.97)**	*(762.22)*
Net	**4,992.42**	*2,126.22*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Current Year (2018-19)

₹ in Lakhs

Particulars	**Opening balance**	**Recognised in Retained Earnings**	**Recognised in Statement of Profit and Loss**	**Recognised in Other Comprehensive Income**	**Closing balance**
Deferred tax (liabilities)/assets in relation to:					
a) Property, plant and equipment	(762.22)	-	(1.75)	-	(763.97)
b) Allowances for doubtful debts and advances	275.31	-	15.53	-	290.84
c) Defined benefit obligation	52.71	-	(7.49)	(0.34)	44.88
d) Provisions and liabilities to be allowed on payment basis	422.04	-	(78.27)	-	343.77
e) Voluntary Retirement Scheme	76.39	-	(24.98)	-	51.41
Total (a)	**64.23**	**-**	**(96.96)**	**(0.34)**	**(33.07)**
f) Tax losses	368.84	-	(368.84)	-	-
g) Others (MAT Credit)	1,693.15	-	(670.97)	-	1,022.18
h) Profits from Real Estate Business (Refer Note 52 below)	-	2,690.18	1,313.13	-	4,003.31
Total (b)	**2,061.99**	**2,690.18**	**273.32**	**-**	**5,025.49**
Total (a+b)	**2,126.22**	**2,690.18**	**176.38**	**(0.34)**	**4,992.42**

Previous Year (2017-18)

₹ in Lakhs

Particulars	*Opening balance*	*Recognised in Statement of Profit and Loss*	*Recognised in Other Comprehensive Income*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	*(640.24)*	*(121.98)*	*-*	*(762.22)*
b) Allowances for doubtful debts and advances	*275.00*	*0.31*	*-*	*275.31*
c) Defined benefit obligation	*46.22*	*7.94*	*(1.45)*	*52.71*
d) Provisions and liabilities to be allowed on payment basis	*306.03*	*116.01*	*-*	*422.04*
e) Voluntary Retirement Scheme	*114.76*	*(38.37)*	*-*	*76.39*
Total (a)	*101.77*	*(36.09)*	*(1.45)*	*64.23*
f) Tax losses	*410.69*	*(41.85)*	*-*	*368.84*
g) Others (MAT Credit)	*1,082.17*	*610.98*	*-*	*1,693.15*
Total (b)	*1,492.86*	*569.13*	*-*	*2,061.99*
Total (a+b)	*1,594.63*	*533.04*	*(1.45)*	*2,126.22*

Note:
There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

21. Other liabilities
Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Advances from customers [includes ₹ 25,461.61 Lakhs; *(Previous year ₹ 185.45 Lakhs)* towards installments received from customers towards real estate development projects in progress] (Refer Note 52)	**26,153.85**	*683.90*
b) Statutory remittances	**264.90**	*158.65*
c) Others		
- Payable to Employees	**678.24**	*922.67*
Total	**27,096.99**	*1,765.22*

22. Borrowings

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Unsecured - at amortised cost		
Loans from other parties		
Commercial papers including interest accrued aggregating ₹ Nil; *(Previous year ₹ 24.86 Lakhs)* [maximum amount outstanding during the year ₹ 8,000 Lakhs; *(Previous year ₹ 8,000 Lakhs)*]	-	*6,890.84*
Total	-	*6,890.84*
[Loans are having tenure upto 91 days, interest rate is in the range of 7.80% p.a. to 9.86% p.a. *(Previous year: 7.80% p.a. to 8.10% p.a.)* and settlement through bullet repayment on respective due dates]		
Secured - at amortised cost		
Loans repayable on demand		
From banks		
i) Cash credit from consortium of banks - Secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia (Refer Note 49).	**971.05**	-
ii) Overdraft facility from Axis Bank - Secured by first charge on project Vicinia receivables to the extent pertaining to Forbes & Company Limited (Refer Note 49).	**4,342.06**	-
Total	**5,313.11**	*6,890.84*

23. Trade payables
Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Micro and small enterprises	**438.75**	*365.12*
Others (includes due to related parties as per Note 40)	**4,149.19**	*3,421.65*
Total	**4,587.94**	*3,786.77*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	31st Mar., 2019	*31st Mar., 2018*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**379.83**	*241.65*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**1.30**	*4.54*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**497.83**	*168.44*
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**91.91**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**26.06**	*1.88*
Further interest remaining due and payable for earlier years	**31.56**	*117.05*

24. Income tax assets and liabilities

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Current tax assets		
Tax refund receivable (net)	**1,303.53**	*2,113.33*
	1,303.53	*2,113.33*
Current tax liabilities		
Income tax payable (net)	**61.85**	*516.97*
	61.85	*516.97*
Net Asset	**1,241.68**	*1,596.36*
Movement during the year		
Balance at the beginning of the year	**1,596.36**	*1,339.60*
Add: Taxes paid (including tax deducted at source / self assessment tax)	**481.39**	*1,306.76*
Less: Refund received (net of taxes paid / adjusted)	**(648.07)**	-
Less: Current tax payable for the year	**(188.00)**	*(1,050.00)*
Balance at the year end	**1,241.68**	*1,596.36*

25. Revenue from operations

The following is an analysis of the Company's revenue for the year from continuing operations.

₹ in Lakhs

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
a) Income from real estate contracts	**-**	*9,516.53*
b) Sales		
Sale of products (including excise duty)		
i) Finished Goods	**20,541.20**	*17,821.88*
ii) Traded Good	**19.06**	*36.46*
	20,560.26	*17,858.34*
Sale of services		
i) Commission income	**-**	*309.28*
ii) Service income	**139.42**	*343.12*
	139.42	*652.40*
c) Other operating revenues		
i) Rent and amenities	**1,815.15**	*1,630.53*
ii) Export incentives	**158.57**	*48.77*
iii) Others (mainly includes scrap sales)	**54.18**	*37.34*
	2,027.90	*1,716.64*
Total	**22,727.58**	*29,743.91*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

26. Other Income

₹ in Lakhs

Particulars		Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
a)	**Interest Income**		
	Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i)	Bank deposits	**32.62**	*5.29*
ii)	Inter-corporate deposit	**9.38**	-
iii)	Customers and others	**8.41**	*67.64*
	Total (a)	**50.41**	*72.93*
b)	**Dividend Income**		
i)	from long-term investments	**0.04**	*0.07*
ii)	from current investments	-	-
	Total (b)	**0.04**	*0.07*
c)	**Other Non-Operating Income**		
i)	Credit balances / excess provision written back	**749.13**	*42.56*
ii)	Interest on Income Tax refund	**366.31**	*29.85*
iii)	Miscellaneous income (mainly includes recoveries from group companies)	**167.38**	*309.74*
	Total (c)	**1,282.82**	*382.15*
d)	**Other gains and losses**		
i)	Gain on disposal of property, plant and equipment	**124.37**	-
ii)	Gain on disposal of current investments	**137.08**	*12.29*
iii)	Gain on fair value / interest of long-term investments in subsidiaries	**140.05**	*136.32*
iv)	Net foreign exchange gains	-	*49.00*
v)	Guarantee Commission (including notional income recognised)	**76.46**	*101.22*
	Total (d)	**477.96**	*298.83*
	Total (a + b + c + d)	**1,811.23**	*753.98*

27. Real estate development costs

₹ in Lakhs

Particulars		Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
i)	Material and Contractual Payments	**4,881.12**	*3,819.74*
ii)	Fees for technical services / design and drawings	**100.81**	*217.89*
iii)	Project Management Consultancy Fees	**451.23**	*117.68*
iv)	Fees-filing with Statutory Authourities	**1,431.71**	*1,629.01*
v)	Interest on borrowings	**507.47**	*445.38*
vi)	Operation and maintenance expenses	**182.57**	*174.64*
	Total	**7,554.91**	*6,404.34*

28. A. Cost of materials consumed (raw and packing materials)

₹ in Lakhs

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Opening stock of raw materials including packing materials	**1,816.65**	*1,148.80*
Purchases	**8,638.11**	*7,460.31*
	10,454.76	*8,609.11*
Less: Closing stock of raw materials including packing materials	**1,745.42**	*1,816.65*
	8,709.34	*6,792.46*

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

a)	**Inventories at the end of the year:**		
i)	Finished goods	**1,248.09**	*708.36*
ii)	Work-in-progress	**774.49**	*456.20*
iii)	Stock-in-trade	-	-
iv)	Real estate development work-in-progress	**24,304.31**	*5,586.14*
		26,326.89	*6,750.70*
b)	**Inventories at the beginning of the year:**		
i)	Finished goods	**708.36**	*782.63*
ii)	Work-in-progress	**456.20**	*384.35*
iii)	Stock-in-trade	-	*0.28*
iv)	Real estate development work-in-progress	**5,586.14**	*4,804.58*
		6,750.70	*5,971.84*
c)	**Increase in real estate work-in-progress inventories due to adoption of Ind AS 115** (Refer Note 52)	**11,163.27**	-
Net increase (b)+(c)-(a)		**(8,412.92)**	*(778.86)*

29. Employee benefits expense

₹ in Lakhs

	Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
i)	Salaries and Wages	**3,827.85**	*3,583.35*
ii)	Contribution to provident and other funds	**293.28**	*307.75*
iii)	Staff Welfare Expenses	**360.31**	*368.91*
	Total	**4,481.44**	*4,260.01*

30. Finance costs

₹ in Lakhs

		Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
(a)		**Interest costs :-**		
	i)	Interest on bank overdrafts and loans	**1,117.48**	*1,092.18*
	ii)	Delayed payment of taxes	**1.17**	*0.35*
	iii)	Other interest expense	**27.35**	*21.62*
			1,146.00	*1,114.15*
(b)		**Other borrowing costs**	**54.76**	*58.64*
		Total	**1,200.76**	*1,172.79*

31. Depreciation and amortisation expense

₹ in Lakhs

	Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
i)	Depreciation on property, plant and equipment (Refer Note 5)	**832.43**	*709.61*
ii)	Depreciation of investment properties (Refer Note 6)	**63.22**	*62.17*
iii)	Amortisation of intangible assets (Refer Note 7)	**52.51**	*25.28*
	Less: Transfered to Real Estate work-in-progress	**(1.19)**	*(1.19)*
	Total	**946.97**	*795.87*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

32. A. Other expenses

₹ in Lakhs

Particulars		**Year ended 31st Mar., 2019**	*Year ended 31st Mar., 2018*
Consumption of stores and spare parts		**883.34**	*854.22*
Increase / (decrease) of excise duty on inventory		**-**	*(144.39)*
Processing charges		**1,386.39**	*1,229.62*
Power and fuel		**628.71**	*545.13*
Service charges		**309.89**	*338.61*
Rent and hire charges		**199.82**	*278.92*
Repairs to :			
i) Buildings	181.33		*232.98*
ii) Plant and machinery	268.48		*269.37*
iii) Others	164.78		*166.15*
		614.59	*668.50*
Insurance		**31.63**	*30.42*
Rates and taxes		**151.67**	*146.57*
Selling expenses, commission and brokerage		**455.47**	*421.30*
Freight and outward charges		**479.76**	*383.30*
Advertisement and sales promotion		**742.49**	*223.73*
Printing and Stationery		**85.03**	*72.07*
Communication		**117.14**	*113.05*
Legal and professional charges		**593.10**	*405.06*
Travelling and conveyance		**453.19**	*357.57*
Trade receivables written off	38.38		*3.16*
Less: Provision held	38.38		*0.95*
		-	*2.21*
Advances written off	-		*18.16*
Less: Provision held	-		*12.84*
		-	*5.32*
Provision for doubtful trade receivables		**26.36**	*14.60*
Provision for doubtful loans and advances		**52.05**	*0.08*
Loss on sale of property, plant and equipment (net)		**-**	*28.25*
Corporate social responsibility expenditure (Refer Note 2 below)		**47.25**	*1.20*
Net loss on Foreign currency transactions and translations		**28.06**	*-*
Security Expenses		**215.04**	*230.26*
Miscellaneous expenses		**471.92**	*552.70*
Auditors remuneration			
To Statutory Auditors			
i) For audit	26.00		*26.24*
ii) For other services	26.60		*26.01*
iii) For reimbursement of expenses	4.69		*2.64*
		57.29	*54.89*
To cost auditors		**4.03**	*3.88*
		61.32	*58.77*
Total		**8,034.22**	*6,817.08*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

₹ in Lakhs

Particulars		Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Note 1: Included in other expenses are the below:			
Direct operating expenses arising from investment property that generated rental income during the year		**157.35**	*163.53*
Direct operating expenses arising from investment property that did not generate rental income during the year		**14.79**	*8.35*
Total		**172.14**	*171.88*
Note 2: Details of Corporate social responsibility expenditure:			
As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preeceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities. A CSR committee has been formed by the Company as per the Act.			
Amount required to be spent as per section 135 of the Act.		**52.00**	*21.00*
Amount spent during the year:			
(i) Constructions/ Acquisition of an asset		**47.25**	*1.20*
(ii) For the purposes other than (i) above		**-**	*-*
Total		**47.25**	*1.20*
Agreement entered for construction/acquisition of assets		**4.75**	*19.80*
B. Exceptional items			
Expected outflow for disputed matters (Refer Note 44)		**(1,055.82)**	*-*
Gain on transfer of interest (Refer Note 50)		**84.90**	*-*
		(970.92)	*-*

33. Income taxes

33.1 Income tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
For Continuing operations		
Current tax		
In respect of the current year	**188.00**	*1,050.00*
Deferred tax		
In respect of the current year	**(176.38)**	*(533.04)*
	11.62	*516.96*
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax from total operations	**1,038.81**	*4,606.97*
Income tax expense calculated at 34.94% (2017-18: 34.608%)	**362.96**	*1,594.38*
Effect of expense that is non deductible in determining taxable profit	**27.29**	*17.68*
Effect of tax incentives and concession	**(83.44)**	*(72.69)*
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	**(62.18)**	*(73.39)*
Effect of disallowances / (deduction) on which deferred tax assets was not recognised in past	**(135.10)**	*(29.12)*
Effect on deferred tax assets due to change in tax rates	**(29.93)**	*-*
Effect of past losses for which deferred tax asset is recognised in current year	**-**	*(952.79)*
Others	**(67.98)**	*32.89*
Income tax expense recognised in the Statement of Profit and Loss	**11.62**	*516.96*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

33.2 Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Others		
Deferred tax		
Re-measurement of defined benefit obligation	**0.34**	*1.45*
Total income tax expense recognised in other comprehensive income	**0.34**	*1.45*

34. Earnings per share

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Profit for the year (A) (₹ in Lakhs)	**1,027.19**	*4,090.01*
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (Quantity in Lakhs) (B)	**128.99**	*128.99*
Basic/ Diluted Earnings per equity share C=(A/B) (₹)	**7.96**	*31.71*

35. Employee Benefits :

Brief description of the Plans:

The Company has various schemes for long term employees benefits such as Provident Fund, Gratuity,Superannuation, Employees State Insurance Fund (ESIC) and Employees' Pension Scheme, Leave Encashment and Post Retirement Medical and Non Compete fees. The Company's defined contribution plans are Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Provident Fund, Gratuity, Post Retirement Medical and Non Compete fees and Leave Encashment.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The gratuity plan is a funded plan and the Company had obtained insurance policies with Life Insurance Corporation of India (LIC) and makes a contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government Family Pension Fund / provident fund managed by the trust set up by the Company which are charged to the Statement of Profit and Loss as incurred.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

Under the post-retirement medical and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Company accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

I. Charge to the Statement of Profit and Loss based on contributions:

₹ in Lakhs

Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Employer's contribution to Regional Provident Fund Office	**52.91**	*49.97*
Employer's contribution to Superannuation Fund	**74.51**	*83.88*
Employer's contribution to Employees' State Insurance Corportion and other funds	**20.10**	*21.52*

Included in Contribution to Provident and Other Funds (Refer Note 29)

II. Disclosures for defined benefit plans based on actuarial valuation reports :-

A. Change in Defined Benefit Obligation

₹ in Lakhs

	Gratuity (Funded)		**Others (Post Retirement medical and non compete fees) (Non funded)**	
Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Present Value of Defined Benefit Obligation as at beginning of the year	**829.40**	*802.46*	**334.11**	*362.05*
Interest Cost	**64.35**	*58.42*	**25.61**	*26.14*
Current Service Cost	**43.96**	*40.98*	-	-
Past Service Cost	-	*17.23*	-	-
Benefits Paid	**(115.39)**	*(97.12)*	**(41.09)**	*(49.98)*
Remeasurement of defined benefit obligation	**3.51**	*7.43*	**(15.11)**	*(4.10)*
Present Value of Defined Benefit Obligation as at the end of the year	**825.83**	*829.40*	**303.52**	*334.11*

B. Changes in the Fair Value of Assets

₹ in Lakhs

	Gratuity (Funded)		**Others (Post Retirement medical and non compete fees) (Non funded)**	
Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Fair Value of Plan Assets as at beginning of the year	**677.18**	*668.92*	-	-
Interest Income	**52.82**	*48.77*	-	-
Contributions from employer	**93.50**	*49.09*	-	-
Benefits Paid	**(115.39)**	*(97.12)*	-	-
Return on Plan Assets, excluding Interest Income	**(10.62)**	*7.52*	-	-
Fair Value of Plan Assets as at the end of the year	**697.49**	*677.18*	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Present Value of Defined Benefit Obligation as at the end of the year	**825.83**	*829.40*	**303.52**	*334.11*
Fair Value of Plan Assets as at end of the year	**697.49**	*677.18*	**-**	*-*
Net Liability recognised in the Balance Sheet (Refer Note 19A and 19B)	**128.34**	*152.22*	**303.52**	*334.11*
Recognised under:				
Non - current provision (Refer Note 19A)	**22.62**	*59.26*	**260.04**	*275.67*
Current provision (Refer Note 19B)	**105.72**	*92.96*	**43.48**	*58.44*

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded)*		Others (Post Retirement medical and non compete fees) (Non funded)#	
	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Current Service Cost	**43.96**	*40.98*	**-**	*-*
Past Service Cost	**-**	*17.23*	**-**	*-*
Net interest	**11.53**	*9.65*	**25.61**	*26.14*
Total Expenses recognised in the Statement of Profit and Loss	**55.49**	*67.86*	**25.61**	*26.14*

* Included in Contribution to Provident and Other Funds (Refer Note 29)
# included in Salaries and Wages (Refer Note 29)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for the Year

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in financial assumptions	**5.72**	*(18.21)*	**2.27**	*(8.04)*
Actuarial (Gains)/Losses on Obligation For the Year - Due to experience adjustment	**(2.21)**	*3.48*	**(17.38)**	*3.94*
Return on Plan Assets, excluding Interest Income	**10.62**	*(7.52)*	**-**	*-*
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	**-**	*22.16*	**-**	*-*
Net (Income)/Expense For the year Recognized in OCI	**14.13**	*(0.09)*	**(15.11)**	*(4.10)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Discount Rate (per annum)	**7.64%**	*7.80%*	**7.48% - 7.79%**	*7.65% - 7.86%*
Salary escalation rate	**6.00%**	*6.00%*	**0.00%**	*0.00%*
Rate of employee turnover	**8.00%**	*8.00%*	**0.00%**	*0.00%*

G. Movements in the present value of net defined benefit obligation are as follows:

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Opening Net Liability	**152.22**	*133.54*	**334.11**	*362.05*
Expenses Recognized in Statement of Profit or Loss	**55.49**	*67.86*	**25.61**	*26.14*
Expenses Recognized in OCI	**14.13**	*(0.09)*	**(15.11)**	*(4.10)*
Benefit Paid Directly by the Employer	**-**	-	**(41.09)**	*(49.98)*
Employer's Contribution	**(93.50)**	*(49.09)*	**-**	-
Net Liability Recognized in the Balance Sheet	**128.34**	*152.22*	**303.52**	*334.11*

H. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Government of India Assets (Central and State)		
Insurance fund	**697.49**	*677.18*
Total	**697.49**	*677.18*

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory Development Authority Regulations.

I. Other Details

Particulars	Gratuity		Others (Post Retirement medical and non compete fees)	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Number of Active Members	**448**	*438*	**-**	-
Per Month Salary for Active Members (₹ in Lakhs)	**97.25**	*88.25*	**-**	-
Weighted Average Duration of the Projected Benefit Obligation	**7**	*7*	**-**	-
Average Expected Future Service (Years)	**8**	*8*	**-**	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	**825.83**	*829.40*	**303.52**	*334.11*
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	**97.25**	*88.25*	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

J. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	**Estimated for the Year Ended 31st Mar., 2019**	*Estimated for the Year Ended 31st Mar., 2018*	**Estimated for the Year Ended 31st Mar., 2019**	*Estimated for the Year Ended 31st Mar., 2018*
	Gratuity		Other Post Employment Benefits	
1st Following Year	**166.27**	*177.04*	**43.48**	*58.44*
2nd Following Year	**97.88**	*80.13*	**43.48**	*58.44*
3rd Following Year	**86.67**	*141.41*	**43.48**	*58.44*
4th Following Year	**82.31**	*78.27*	**43.48**	*58.44*
5th Following Year	**114.00**	*73.85*	**43.48**	*58.44*
Sum of Years 6 To 10	**347.11**	*378.07*	**217.40**	*292.22*
Sum of Years 11 and above	**372.39**	*338.20*	**-**	*-*

K. Sensitivity Analysis

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
	Gratuity	
Impact of +1% Change in Rate of Discounting	**(34.30)**	*(33.12)*
Impact of -1% Change in Rate of Discounting	**38.04**	*36.63*
Impact of +1% Change in Rate of Salary Increase	**38.28**	*36.18*
Impact of -1% Change in Rate of Salary Increase	**(35.12)**	*(33.45)*
Impact of +1% Change in Rate of Employee Turnover	**2.97**	*3.37*
Impact of -1% Change in Rate of Employee Turnover	**(3.33)**	*(3.75)*

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

L. Provident Fund

The Company has established 'Forbes & Company Ltd. Employees Provident Fund' in respect of all the employees to which both the employee and employer make contribution equal to 12% of the employees' basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Company's contribution to the provident fund	**90.27**	*84.52*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Approach used	**Deterministic**	*Deterministic*
Increase in compensation levels	**6.00%**	*6.00%*
Discount Rate	**7.64%**	*7.80%*
Attrition Rate	**8.00%**	*8.00%*
Weighted Average Yield	**8.20%**	*8.19%*
Weighted Average YTM	**8.32%**	*8.60%*
Reinvestment Period on Maturity	**5 years**	*5 years*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

M. The liability for Compensated absenses (Non – Funded) as at year end is ₹ 351.33 Lakhs *(Previous year ₹ 316.90 Lakhs)* (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ 260.20 Lakhs *(Previous year ₹ 247.37 Lakhs)*.

36. Financial Instruments

36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 17, 18B and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings.The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

₹ in Lakhs

	31st Mar., 2019	*31st Mar., 2018*
Total Equity	**23,411.71**	*27,855.75*
Short Term Borrowings	**5,313.11**	*6,890.84*
Long Term Borrowings	**6,226.21**	*8,208.22*
Current Maturities of Long Term Borrowings	**5,462.87**	*1,770.85*
Total Debt	**17,002.19**	*16,869.91*
Cash and Cash equivalents	**824.18**	*2,168.21*
Bank balances other than above	**164.71**	*118.15*
Net Debt	**16,013.30**	*14,583.55*
Debt Equity ratio	**0.50**	*0.36*

Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity

36.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

36.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 36.6) and interest rates (Refer Note 36.7). The company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

36.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Investments in subsidiaries, associates and joint ventures

The Company had invested in various subsidiaries, associates and joint ventures. The approved future business plans and cash flow projections of these entities are evaluated by the management of the Company on an ongoing basis and based on this evaluation the recoverability of the investments is considered to be good.

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to the financial guarantees given to banks on behalf of subsidiaries by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on is ₹ 18,294.67 Lakhs as at 31st March, 2019 (*Previous year as at 31st March, 2018 is ₹ 18,270.40 Lakhs*). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

36.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company has the following undrawn credit lines available as at the end of the reporting period.

₹ in Lakhs

	31st Mar., 2019	*31st Mar., 2018*
- Expiring within one year (Bank CC Limits Sanctioned)	**8,750.00**	*3,650.00*
- Expiring beyond one year	-	-
	8,750.00	*3,650.00*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	**31st Mar., 2019**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings (includes interest)	11,662.43	6,723.85	-	-
Trade Payables	4,587.94	-	-	-
Other Financial Liabilities	1,082.68	230.16	-	-
	17,333.05	**6,954.01**	**-**	**-**

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	*31st Mar., 2018*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Borrowings (includes interest)	*9,636.60*	*8,749.48*	-	-
Trade Payables	*3,929.71*	-	-	-
Other Financial Liabilities	*675.63*	*515.32*	-	-
	14,241.94	*9,264.80*	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

36.6 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Particulars of unhedged foreign currency exposures as at the reporting date

	As at 31st Mar., 2019				*As at 31st Mar., 2018*			
	Advances from customers		**Trade receivables**		*Advances from customers*		*Trade receivables*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.13**	**9.34**	**7.84**	**544.80**	*0.20*	*13.00*	*6.47*	*420.32*
GBP	-	-	**0.98**	**89.00**	-	-	*1.11*	*101.08*
EUR	**0.08**	**6.10**	**0.75**	**58.59**	*0.37*	*29.25*	*1.77*	*141.76*

	As at 31st Mar., 2019				*As at 31st Mar., 2018*			
	Advances to vendors		**Trade payables**		*Advances to vendors*		*Trade payables*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.08**	**5.75**	**7.75**	**538.04**	*0.32*	*20.58*	*13.86*	*900.48*
EUR	**0.06**	**4.67**	**2.14**	**166.67**	*0.11*	*8.77*	*0.27*	*21.21*
CHF	-	-	**0.01**	**0.96**	-	-	*0.17*	*11.31*
GBP	-	-	-	-	-	-	*0.00 **	*0.08*
CNY	**0.43**	**4.45**	-	-	-	-	-	-
AUD	-	-	**0.10**	**5.12**	-	-	*0.00 **	*0.14*
THB	-	-	-	-	*0.93*	*1.94*	-	-

	As at 31st Mar., 2019				*As at31st Mar., 2018*			
	Loans		**Current Account Balances**		*Loans*		*Current Account Balances*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	-	-	**0.16**	**11.30**	-	-	*0.93*	*60.54*
EUR	-	-	**0.06**	**4.49**	-	-	-	-

Of the above, the Company is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

(b) Sensitivity
As at 31st Mar., 2019

₹ in Lakhs

Currencies	**Increase/ Decrease**	**Total Assets in FC**	**Total Liabilities in FC**	**Impact on exchange rate**	**Impact on Profit or Loss for the year**
USD	Increase by 5%	8.08	7.88	3.47	0.69
USD	Decrease by 5%	8.08	7.88	(3.47)	(0.69)
GBP	Increase by 5%	0.98	-	4.53	4.44
GBP	Decrease by 5%	0.98	-	(4.53)	(4.44)
EUR	Increase by 5%	0.87	2.22	3.90	(5.27)
EUR	Decrease by 5%	0.87	2.22	(3.90)	5.27

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

As at 31st Mar., 2018

₹ in Lakhs

Currencies	*Increase/ Decrease*	*Total Assets in FC*	*Total Liabilities in FC*	*Impact on exchange rate*	*Impact on Profit or Loss for the year*
USD	*Increase by 5%*	*7.72*	*14.06*	*3.25*	*(20.60)*
USD	*Decrease by 5%*	*7.72*	*14.06*	*(3.25)*	*20.60*
GBP	*Increase by 5%*	*1.11*	*0.00 **	*4.55*	*5.05*
GBP	*Decrease by 5%*	*1.11*	*0.00 **	*(4.55)*	*(5.05)*
EUR	*Increase by 5%*	*1.88*	*0.63*	*4.00*	*5.00*
EUR	*Decrease by 5%*	*1.88*	*0.63*	*(4.00)*	*(5.00)*

* Amount is below the rounding off norm adopted by the Company

36.7 Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

(a) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	**As at 31st Mar., 2019**			*As at 31st Mar., 2018*		
	Weighted average interest rates	**% of total loans**	**Total Borrowings**	*Weighted average interest rates*	*% of total loans*	*Total Borrowings*
Term Loans from Banks	**9.31%**	**45%**	**7,694.11**	-	-	-
Non Convertible Debentures	**9.27%**	**23%**	**3,994.97**	*9.67%*	*59%*	*9,979.07*
Cash Credit Facilities	**11.79%**	**6%**	**971.05**	-	-	-
Overdraft Facilities	**9.12%**	**26%**	**4,342.06**	-	-	-
Commercial Papers	**-**	**-**	**-**	*7.99%*	*41%*	*6,890.84*
Total			**17,002.19**			*16,869.91*

(b) Sensitivity

The sensitivity of profit / (loss) to changes in interest rates/exchange rates:

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Rates increase by 100 basis points*	**113.13**	**
Rates decrease by 100 basis points*	**(113.13)**	**

* Holding all other variables constant.
** There were no variable interest rate borrowings during the previous year ended 31st March, 2018.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

36.8 Fair Value Disclosures

a) Categories of Financial Instruments:

₹ in Lakhs

	31st Mar., 2019			*31st Mar., 2018*		
	FVTPL	**FVTOCI**	**Amortised Cost**	*FVTPL*	*FVTOCI*	*Amortised Cost*
Financial Assets						
Investments*	**398.99**	-	**907.12**	*357.83*	-	*809.93*
Loans	-	-	**157.45**	-	-	*165.01*
Cash and Bank Balances	-	-	**988.89**	-	-	*2,286.36*
Trade Receivables	-	-	**4,113.48**	-	-	*3,862.55*
Other Financial Assets	-	-	**334.98**	-	-	*4,775.12*
	398.99	-	**6,501.92**	*357.83*	-	*11,898.97*
Financial liabilities						
Borrowings	-	-	**11,539.32**	-	-	*15,099.06*
Trade Payables	-	-	**4,587.94**	-	-	*3,786.76*
Other Financial Liabilities	-	-	**6,860.13**	-	-	*3,060.22*
	-	-	**22,987.39**	-	-	*21,946.04*

* Excludes investments in equity instruments of ₹ 22,984.41 Lakhs *(Previous year ₹ 19,457.18 Lakhs)* carried at cost less impairment.

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

	31st Mar., 2019				
Financial Assets	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL					
Investments					
Investments in Equity Instruments	0.68	-	-	0.68	0.68
Investments in Preference Shares	-	-	-	-	-
Investments in debentures	398.31	-	-	398.31	398.31

	31st Mar., 2018				
Financial Assets	*Carrying Value*	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL					
Investments					
Investments in Equity Instruments	*0.65*	-	-	*0.65*	*0.65*
Investments in Preference Shares	-	-	-	-	-
Investments in debentures	*357.18*	-	-	*357.18*	*357.18*

There are no transfers between level 1, level 2 and level 3 during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

c) **Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the years ended 31st March, 2019 and 31st March, 2018.

₹ in Lakhs

	Equity Instruments	Unquoted Preference Shares	Optionally Convertible Debentures	Total
As at 31st Mar., 2018	**0.65**	**-**	**357.18**	**357.83**
Additions during the year	0.03	-	-	0.03
Fair value Gains / Losses recognised in profit or loss	-	-	41.13	41.13
As at 31st Mar., 2019	**0.68**	**-**	**398.31**	**398.99**

₹ in Lakhs

	Equity Instruments	*Unquoted Preference Shares*	*Optionally Convertible Debentures*	*Total*
As at 31st Mar., 2017	*0.65*	*2,200.00*	*320.46*	*2,521.11*
Converted to equity instrument (Refer Note 8)	*-*	*2,200.00*	*-*	*2,200.00*
Fair value Gains / Losses recognised in profit or loss	*-*	*-*	*36.72*	*36.72*
As at 31st Mar., 2018	*0.65*	*-*	*357.18*	*357.83*

d) **Valuation Process**

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

e) **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

f) **Valuation inputs and relationships to fair value**

Particulars	Fair values as at (₹ in Lakhs) 31st Mar., 2019	*31st Mar., 2018*	Unobservable inputs	Probability - weighted range 31st Mar., 2019	*31st Mar., 2018*	Sensitivity
Unquoted preference shares (converted to equity instruments during the year ended 31st March, 2018).	-	-	Risk adjusted discount rate	-	-	-
Optionally convertible debentures	398.31	***357.18***	Risk adjusted discount rate	10.5%-12%	*10.5%-12%*	2019: Higher discount rate by 100 bps would decrease the FV by ₹43.06 Lakhs and lower discount rate by 100 bps would increase the FV by ₹48.86 Lakhs. 2018: Higher discount rate by 100 bps would decrease the FV by ₹41.26 Lakhs and lower discount rate by 100 bps would increase the FV by ₹47.24 Lakhs.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

37. Operating lease arrangements

37.1 (i) The Company as lessor

The Company has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 1,815.15 Lakhs *(Previous year ₹ 1,630.53 Lakhs)* has been disclosed as "Rent and amenities" under Revenue from operations in Note 25 to the Statement of Profit and Loss.

The details of the premises leased are as follows:

37.1 (ii) Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Not later than 1 year	**297.11**	*450.15*
Later than 1 year and not later than 5 years	**455.01**	*232.83*
Total	**752.12**	*682.98*

37.1 (iii) The Company as lessee

The Company leases various offices and equipments under cancellable operating lease expiring within two to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Rent expenses relating to operating leases amounting to ₹ 199.82 Lakhs *(Previous Year ₹ 278.92 Lakhs)*.

38. Commitments

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹ 586.69 Lakhs; *(Previous year ₹237.47 Lakhs)*	**2,739.18**	*135.27*
Total	**2,739.18**	*135.27*

39. Contingencies and other commitments
(To the extent not provided for)

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
(a) Claims against the Company not acknowledged as debts		
1 **Taxes in dispute:-**		
i) Excise demand [Advance paid against the demand ₹ 7.89 Lakhs; *(Previous year ₹ 7.89 Lakhs)*]	**2,790.26**	*2,782.64*
ii) Sales tax [Advance paid against the demand ₹ 59.20 Lakhs; *(Previous year ₹ 57.66 Lakhs)*]	**586.54**	*446.55*
iii) Income-tax [Advance paid against the demand ₹950.41 Lakhs; *(Previous year ₹ 950.41 Lakhs)*]	**4,267.18**	*4,241.12*
iv) Service-tax (Advance paid ₹ Nil) *(Previous year ₹Nil)*	**808.45**	*732.68*
v) Customs duty [Advance paid ₹ Nil; *(Previous year ₹ 0.08 Lakhs)*]	**100.00**	*101.00*
vi) Wealth tax [Advance paid ₹ 409.86 Lakhs; *(Previous year ₹ 409.86 Lakhs)*]	**409.86**	*409.86*
2 Labour matters in dispute	**19.77**	*28.52*
3 Customer claims	**3,169.04**	*3,165.04*
4 Other legal matters	**281.40**	*6.40*
(b) **Other commitments :-**		
i) Surety Bonds on behalf of Shipping Principals including subsidiary companies and jointly executed with third parties in favour of customs and other parties (net of provision)	**-**	*64.00*
ii) Guarantee on behalf of related parties (Secured by exclusive charge on certain investment properties)	**21,402.37**	*21,176.82*

Note:

1. In respect of the above mentioned items, till the matters are finally decided, the timings of outflow of economic benefits cannot be ascertained.
2. The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

40. Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

	Nature of Relationship	Name of Entity
A	Holding Company	Shapoorji Pallonji and Company Private Limited
B	Subsidiaries - Direct	Eureka Forbes Limited Forbes Campbell Finance Limited Shapoorji Pallonji Forbes Shipping Limited Forbes Technosys Limited Campbell Properties & Hospitality Services Limited Volkart Fleming Shipping and Services Limited
B	Subsidiaries - Indirect	Aquamall Water Solutions Limited (Amalgamated with Eureka Forbes Limited w.e.f. 01.4.2016) Aquadiagnostics Water Research & Technology Centre Limited (Upto 25.06.2018) Aquaignis Technologies Private Limited (Subsidiary w.e.f. 13.06.2018) Forbes Lux International AG Baar Lux International AG Lux del Paraguay S.A. Forbes International AG (Formerly Forbes Lux Group AG) (Merged with Lux International AG) Lux / Sk / s.r.o., Slovakia (Ceased during the previous year) Lux Italia srl Lux Schweiz AG Lux (Deutschland) GmbH Lux International Services and Logistics GmbH (Formerly Lux Service GmbH) Lux Norge A/s Lux Oesterreich GmbH Lux CZ s.r.o (Ceased during the previous year) Lux Hungaria Kereskedelmi Kft Lux Aqua Hungaria KFT (Upto 30.04.2018) LIAG Trading & Investment Limited Lux Professional International Gmbh, Switzerland (Formerly Lux Aqua GmbH) (Merged with Lux International AG) Lux Waterline GmbH, Germany (Upto 31.12.2017) Lux Aqua Czech s.r.o., Czech (Upto 30.04.2018) Brightyclean (Spain) S.L., Spain (Ceased during the previous year) Lux Professional Gmbh, Germany (Upto 31.12.2017) Lux Oesterreich Professional GmbH, Austria (Upto 31.10.2017) Lux Aqua Paraguay SA Lux International Service Kft, Hungary (Ceased during the year) EFL Mauritius Limited Euro Forbes Limited Dubai Forbes Lux FZCO Forbes Facility Services Private Limited Forbes Enviro Solutions Limited Euro Forbes Financial Services Limited Forbes Campbell Services Limited Forbes Edumetry Limited (Under liquidation)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

C	Fellow Subsidiaries (where there are transactions)	Afcons Infrastructure Limited Forvol International Services Limited Gokak Textiles Limited Shapoorji Pallonji Oil and Gas Private Limited Sterling and Wilson Private Limited SP Fabricators Private Limited United Motors (India) Private Limited Lucrative Properties Private Limited Shapoorji Pallonji Infrastructure Capital Company Limited Paikar Real Estates Private Limited	
D	Associates - Direct	Neuvo Consultancy Service Limited	
D	Associates - Indirect	Dhan Gaming Solutions (India) Private Limited	
E	Joint Ventures - Indirect	Forbes Bumi Armada Limited	
E	Joint Ventures of Holding Offshore Limited) Fellow Subsidiary (where there are transactions)	Shapoorji Pallonji Bumi Armada Offshore Limited (fomerly known as Forbes Bumi Armada Offshore Limited/ HPCL Shapoorji Energy Private Limited	
F	Key Management Personnel ("KMP")	M. C. Tahilyani	Managing Director
		Non Executive Directors	
		Shapoor P.Mistry	Chairman
		Jai L. Mavani	Non-Executive Director
		Kaiwan D. Kalyaniwalla	Independent Director (Upto 31.03.2019)
		D. Sivanandhan	Independent Director
		Aslesha Gowariker	Independent Director (w.e.f. 30.06.2016 Upto 12.06.2018)
		Rani Jadhav	Independent Director (w.e.f. 01.09.2018)
G	Post employment benefit plan	Forbes & Company Limited Employees Provident Fund	

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

40. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	364.04	17.08	33.74	434.24	-	-	**849.10**
2	Advances received for real estate project	-	-	2,024.69	-	-	-	**2,024.69**
3	Interest accrued on investment / loan	-	9.12	-	-	-	-	**9.12**
4	Trade Receivables	4.60	86.65	17.19	-	7.93	-	**116.37**
5	Advance for Supply of Goods and Services	76.58	-	60.00	-	-	-	**136.58**
6	Contractually reimbursable expenses	-	243.00	79.07	-	-	-	**322.07**
7	Provision for Doubtful Trade Receivables	-	-	10.18	-	-	-	**10.18**
8	Deposits Payable	-	-	49.25	-	23.79	-	**73.04**
9	Deposits Receivable	-	5.00	-	-	-	-	**5.00**
10	Guarantees Given	-	18,294.67	-	-	3,107.70	-	**21,402.37**
11	Guarantees Taken	3,472.30	-	-	-	-	-	**3,472.30**
	Transactions							
	Purchases / Services							
12	Real estate developement expenses	4,637.90	-	-	242.03	-	-	**4,879.93**
	Sales / Services							
13	Fixed Assets / Investments /Business	-	-	15,500.00	-	-	-	**15,500.00**
	Expenses							
14	Rent	-	6.00	-	-	-	-	**6.00**
15	Travelling and conveyance expenses	-	4.54	201.31	-	-	-	**205.85**
16	Legal and professional charges	113.69	-	-	-	-	-	**113.69**
17	Repairs and Maintenance	42.45	-	-	-	-	-	**42.45**
18	Brokerage, commission and other selling expense	-	-	-	162.90	-	-	**162.90**
19	Project management consultancy fees	-	-	-	380.10	-	-	**380.10**
20	Remuneration	-	-	-	-	-	225.01	**225.01**
21	Miscellaneous expenses	-	59.14	61.73	-	-	26.00	**146.87**
22	Dividend paid	233.98	4.16	-	-	-	-	**238.14**
	Income							
23	Rent and amenities	16.63	65.70	160.01	-	100.31	-	**342.65**
24	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	149.43	-	-	-	-	**149.43**
25	Profit on sale of Business	-	-	84.90	-	-	-	**84.90**
26	Guarantee Commission (including Notional Income recognised)	-	51.04	25.42	-	-	-	**76.46**
27	Miscellaneous Income	-	113.40	1.70	-	-	-	**115.10**
	Other Receipts / Payments							
28	Other Reimbursements (Receipt)	-	7.75	23.51	-	-	-	**31.26**
29	Other Reimbursements (Payment)	-	-	253.32	576.72	-	-	**830.04**
	Finance							
30	Deposit Given	-	700.00	-	-	-	-	**700.00**
31	Repayment of Deposits Given	-	700.00	-	-	-	-	**700.00**
32	Purchase / Subscriptions to Investments	-	3,505.00	-	-	-	-	**3,505.00**
33	Real estate advances received from customers	-	-	323.87	-	-	-	**323.87**
34	Advances refunded to Customers	-	-	185.52	-	-	-	**185.52**

For details of investments in subsidiaries, associates and joint ventures refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

40. Related party disclosures (contd.)
Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C	C	D	E	E
		Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Campbell Properties & Hospitality Services Ltd.	Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Gokak Textiles Ltd.	Lucrative Properties Private Ltd.	Paikar Real Estates Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co. Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	United Motors (India) Ltd.	Neuvo Consultancy Service Ltd.	Shapoorji Pallonji Bumi Armada Offshore Ltd	HPCL Shapoorji Energy Ltd.
	Balances																					
1	Trade Payables	364.04	***	***	***	***	***	-	***	-	-	***	-	-	-	-	-	-	-	434.24	-	-
2	Advances received for real estate project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,024.69	-	-	-
3	Interest accrued on investment / loan	-	-	-	***	-	8.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	***	-	***	***	86.65	-	-	***	-	-	***	-	***	***	-	***	-	-	-	***
5	Advance for Supply of Goods and Services	76.58	-	-	-	-	-	-	-	-	-	60.00	-	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	-	-	-	-	-	242.76	-	-	***	-	***	***	-	-	-	71.34	-	-	-	-	-
7	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.18	-	-	-	-
8	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	***	48.25	-	-	-	-	23.79
9	Deposits Receivable	-	-	-	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Guarantees Given	-	-	-	-	-	17,920.00	***	-	-	-	-	-	-	-	-	-	-	-	-	3,107.71	-
11	Guarantees Taken	3,472.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions																					
	Purchases / Services																					
12	Real estate developement expenses	4,637.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-
	Sales / Services																					
13	Fixed Assets / Investments / Business	-	-	-	-	-	-	-	-	-	-	-	-	-	# 15,500.00	-	-	-	-	-	-	-
	Expenses																					
14	Rent	-	-	-	6.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Travelling and conveyance expenses	-	-	-	-	-	-	-	***	-	-	201.31	-	-	-	-	-	-	-	-	-	-
16	Legal and professional charges	113.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Repairs and Maintenance	42.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Brokerage, commission and other selling expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	162.90	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

		A	B	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C	C	D	E	E
		Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Campbell Properties & Hospitality Services Ltd.	Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.	Forvol International Services Ltd.	Gokak Textiles Ltd.	Lucrative Properties Private Ltd.	Paikar Real Estates Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co. Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	United Motors (India) Ltd.	Neuvo Consultancy Service Ltd.	Shapoorji Pallonji Bumi Armada Offshore Ltd	HPCL Shapoorji Energy Ltd.
19	Project management consultancy fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	380.10	-	-
20	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Miscellaneous expenses	-	***	23.08	-	28.50	***	-	-	-	-	60.55	***	-	-	-	-	***	-	-	-	-
22	Dividend paid	233.98	-	-	***	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income																					
23	Rent and amenities	***	-	-	-	-	53.50	***	-	-	39.60	***	***	-	-	***	104.95	-	-	-	-	100.31
24	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	42.86	-	***	97.19	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-	-	-	-	84.90	-	-	-	-	-	-	-
26	Guarantee Commission (including Notional Income recognised)	-	-	-	-	-	50.05	***	-	-	-	-	-	-	-	-	25.42	-	-	-	-	-
27	Miscellaneous Income	-	***	-	***	***	108.00	***	-	***	-	-	***	***	-	-	-	-	-	-	-	-
	Other Receipts / Payments																					
28	Other Reimbursements (Receipt)	-	-	-	-	3.47	-	-	***	3.75	16.17	***	-	-	5.28	-	-	-	-	-	-	-
29	Other Reimbursements (Payment)	-	-	-	-	-	-	-	-	-	-	-	-	-	253.32	-	-	-	-	576.72	-	-
	Finance																					
30	Deposit Given	-	-	-	-	-	700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Repayment of Deposits Given	-	-	-	-	-	700.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Purchase / Subscriptions to Investments	-	2,505.00	-	-	-	1,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Real estate advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	323.87	-	-	-
34	Advances refunded to Customers	-	-	-	-	-	-	-	-	-	-	-	-	185.52	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

Refer Note 50.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Parties in F :

Key Managerial Personnel Remuneration

₹ in Lakhs

Particulars	**31st March, 2019**	*31st March, 2018*
Short-term employee benefits	217.45	*191.89*
Post-employment benefits	4.59	*4.44*
Long-term employee benefits	2.97	*7.00*
	225.01	*203.33*

Directors Sitting Fees:

Name	**31st March, 2019**	*31st March, 2018*
Kaiwan D. Kalyaniwalla	9.00	*6.00*
D. Sivanandhan	8.00	*6.50*
Aslesha Gowariker	1.00	*3.00*
Shapoor P. Mistry	2.50	*1.00*
Jai L. Mavani	3.50	*3.00*
Rani Jadhav	2.00	-
Total	**26.00**	*19.50*

Parties in G

Contribution to Post Employment Benefit Plan:

Particulars	**31st March, 2019**	31st March, 2018
Forbes & Company Limited Employees Provident Fund	90.27	84.52
	90.27	84.52

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

40. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ *in Lakhs*

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	-	4.51	0.25	211.64	-	-	216.40
2	Advances received for real estate project	-	-	122.08	-	-	-	122.08
3	Interest accrued on investment	-	0.68	-	-	-	-	0.68
4	Trade Receivables	9.67	23.52	16.90	-	-	-	50.09
5	Unbilled Revenue (net of advance)	-	-	456.35	-	-	-	456.35
6	Contractually reimbursable expenses	73.17	125.36	76.98	-	-	-	275.51
7	Provision for Doubtful Trade Receivables	-	-	10.18	-	-	-	10.18
8	Deposits Payable	-	-	49.25	-	23.79	-	73.04
9	Deposits Receivable	-	5.00	-	-	-	-	5.00
10	Guarantees Given	-	18,270.40	-	-	2,906.42	-	21,176.82
11	Guarantees Taken	3,247.40	-	-	-	-	-	3,247.40
	Transactions							
	Purchases / Services							
12	Real estate developement expenses	3,576.07	-	-	187.28	-	-	3,763.35
	Sales / Services							
13	Revenue recognised for real estate project	-	-	1,011.24	-	-	-	1,011.24
14	Fixed Assets / Investments	0.50	-	-	-	-	-	0.50
	Expenses							
15	Rent	-	6.90	-	-	-	-	6.90
16	Travelling and conveyance expenses	-	-	189.42	-	-	-	189.42
17	Legal and professional charges	88.64	49.50	-	-	-	-	138.14
18	Brokerage, commission and other selling expense	-	-	-	126.91	-	-	126.91
19	Project management consultancy fees	-	-	-	296.13	-	-	296.13
20	Remuneration	-	-	-	-	-	203.33	203.33
21	Miscellaneous expenses	-	67.04	0.23	-	-	19.54	86.81
22	Dividend paid	233.98	4.16	-	-	-	-	238.14
	Income							
23	Rent and amenities	23.92	55.26	173.06	-	95.17	-	347.41
24	Gain on fair value / interest of long-term investments in a subsidiary company	-	136.32	-	-	-	-	136.32
25	Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets	0.50	-	-	-	-	-	0.50
26	Guarantee Commission (including Notional Income recognised)	-	75.95	25.27	-	-	-	101.22
27	Miscellaneous Income	-	151.64	0.00*	-	-	-	151.64
	Other Receipts / Payments							
28	Other Reimbursements (Receipt)	-	60.09	25.06	-	-	-	85.15
29	Other Reimbursements (Payment)	-	-	-	109.62	-	-	109.62
	Finance							
30	Deposit Given	-	7.00	-	-	-	-	7.00
31	Repayment of Deposits Given	-	7.00	-	-	-	-	7.00
32	Purchase / Subscriptions to Investments	-	1,000.00	-	-	-	-	1,000.00
33	Advances received from customer	-	-	1,295.78	-	-	-	1,295.78
	Guarantees							
34	Given on behalf of a Subsidiary	-	3,850.39	-	-	-	-	3,850.39
35	Guarantee Returned	-	2,500.00	-	-	-	-	2,500.00

* Amounts are below the rounding off norms of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

40. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ in Lakhs

		A	B	B	B	B	B	B	B	C	C	C	C	C	C	D	E	E
		Shapoorji Pallonji and Company Private Ltd.	*Eureka Forbes Ltd.*	*Forbes Facility Services Private Ltd.*	*Forbes Campbell Finance Ltd.*	*Forbes Campbell Services Ltd.*	*Forbes Technosys Ltd.*	*Shapoorji Pallonji Forbes Shipping Ltd.*	*Volkart Fleming Shipping & Services Ltd.*	*Afcons Infrastructure Ltd.*	*Forvol International Services Ltd.*	*Lucrative Properties Private Ltd.*	*Shapoorji Pallonji Oil & Gas Private Ltd.*	*Sterling and Wilson Private Ltd.*	*United Motors (India) Ltd.*	*Neuvo Consultancy Service Ltd.*	*Shapoorji Pallonji Bumi Armada Offshore Ltd.*	*HPCL Shapoorji Energy Ltd.*
	Balances																	
1	*Trade Payables*	-	***	***	-	-	-	-	-	-	***	-	-	-	-	211.64	-	-
2	*Advances received for real estate project*	-	-	-	-	-	-	-	-	-	-	97.71	-	-	24.37	-	-	-
3	*Interest accrued on investment*	-	-	-	0.68	-	-	-	-	-	-	-	-	-	-	-	-	-
4	*Trade Receivables*	9.67	-	-	-	-	23.52	-	-	5.84	***	-	***	10.18	-	-	-	-
5	*Unbilled Revenue (net of advance)*	-	-	-	-	-	-	-	-	-	-	421.17	-	-	***	-	-	-
6	*Contractually reimbursable expenses*	73.17	-	-	-	-	124.75	***	***	-	***	-	42.65	-	-	-	-	-
7	*Provision for Doubtful Trade Receivables*	-	-	-	-	-	-	-	-	-	-	-	-	10.18	-	-	-	-
8	*Deposits Payable*	-	-	-	-	-	-	-	-	-	-	-	48.25	-	-	-	-	23.79
9	*Deposits Receivable*	-	-	-	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-
10	*Guarantees Given*	-	-	-	-	-	17,920.00	***	-	-	-	-	-	-	-	-	2,906.42	-
11	*Guarantees Taken*	3,247.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions																	
	Purchases / Services																	
12	*Real estate developement expenses*	3,576.07	-	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-
	Sales / Services																	
13	*Revenue recognised for real estate project*	-	-	-	-	-	-	-	-	-	-	509.27	-	-	501.97	-	-	-
14	*Fixed Assets / Investments*	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses																	
15	*Rent*	-	-	-	6.00	-	-	-	0.90	-	-	-	-	-	-	-	-	-
16	*Travelling and conveyance expenses*	-	-	-	-	-	-	-	-	-	189.42	-	-	-	-	-	-	-
17	*Legal and professional charges*	88.64	-	-	-	-	-	-	49.50	-	-	-	-	-	-	-	-	-
18	*Brokerage, commission and other selling expense*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126.91	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

		A	B	B	B	B	B	B	B	C	C	C	C	C	C	D	E	E
		Shapoorji Pallonji and Company Private Ltd.	*Eureka Forbes Ltd.*	*Forbes Facility Services Private Ltd.*	*Forbes Campbell Finance Ltd.*	*Forbes Campbell Services Ltd.*	*Forbes Technosys Ltd.*	*Shapoorji Pallonji Forbes Shipping Ltd.*	*Volkart Fleming Shipping & Services Ltd.*	*Afcons Infrastructure Ltd.*	*Forvol International Services Ltd.*	*Lucrative Properties Private Ltd.*	*Shapoorji Pallonji Oil & Gas Private Ltd.*	*Sterling and Wilson Private Ltd.*	*United Motors (India) Ltd.*	*Neuvo Consultancy Service Ltd.*	*Shapoorji Pallonji Bumi Armada Offshore Ltd.*	*HPCL Shapoorji Energy Ltd.*
19	*Project management consultancy fees*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	296.13	-	-
20	*Remuneration*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	*Miscellaneous expenses*	-	***	18.60	-	46.80	-	-	-	-	-	-	-	-	-	-	-	-
22	*Dividend paid*	233.98	-	-	***	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income																	
23	*Rent and amenities*	***	-	-	-	-	54.86	***	-	59.40	***	-	96.56	-	-	-	-	95.17
24	*Gain on fair value / interest of long-term investments in a subsidiary company*	-	-	-	38.45	-	***	86.78	-	-	-	-	-	-	-	-	-	-
25	*Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets*	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	*Guarantee Commission (including Notional Income recognised)*	-	-	-	-	-	75.65	***	-	-	-	-	25.27	-	-	-	-	-
27	*Miscellaneous Income*	-	***	-	***	***	140.17	***	***	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments																	
28	*Other Reimbursements (Receipt)*	-	12.00	-	-	***	***	-	39.50	23.59	***	-	-	-	-	-	-	-
29	*Other Reimbursements (Payment)*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	109.62	-	-
	Finance																	
30	*Deposit Given*	-	3.00	-	-	-	2.00	2.00	-	-	-	-	-	-	-	-	-	-
31	*Repayment of Deposits Given*	-	3.00	-	-	-	2.00	2.00	-	-	-	-	-	-	-	-	-	-
32	*Purchase / Subscriptions to Investments*	-	-	-	-	-	1,000.00	-	-	-	-	-	-	-	-	-	-	-
33	*Advances received from customer*	-	-	-	-	-	-	-	-	-	-	185.52	-	-	1,110.26	-	-	-
	Guarantees																	
34	*Given on behalf of a Subsidiary*	-	-	-	-	-	3,500.00	***	-	-	-	-	-	-	-	-	-	-
35	*Guarantee Returned*	-	-	-	-	-	2,500.00	-	-	-	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

41. Segment reporting

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

(a) Information about reportable segments for the year: ₹ in Lakhs

Particulars	Engineering		Real Estate		Total		Elimination		Total	
	31st Mar., 2019	*31st Mar., 2018*	31st Mar., 2019	*31st Mar., 2018*	31st Mar., 2019	*31st Mar., 2018*	31st Mar., 2019	*31st Mar., 2018*	31st Mar., 2019	*31st Mar., 2018*
Segment Revenue	**20,912.43**	*18,596.85*	**1,815.15**	*11,147.06*	**22,727.58**	*29,743.91*	**-**	*-*	**22,727.58**	*29,743.91*
Inter segment revenue	**-**	*-*	**2.11**	*2.46*	**2.11**	*2.46*	**(2.11)**	*(2.46)*	**-**	*-*
Revenue from operations	**20,912.43**	*18,596.85*	**1,817.26**	*11,149.52*	**22,729.69**	*29,746.37*	**(2.11)**	*(2.46)*	**22,727.58**	*29,743.91*
Segment Results	**2,657.90**	*2,341.78*	**357.72**	*4,562.66*	**3,015.62**	*6,904.44*	**-**	*-*	**3,015.62**	*6,904.44*
Exceptional items allocated to segments	**-**	*-*	**-**	*-*	**-**	*-*	**-**	*-*	**-**	*-*
Segment Results - (including exceptional items relating to segment)	**2,657.90**	*2,341.78*	**357.72**	*4,562.66*	**3,015.62**	*6,904.44*	**-**	*-*	**3,015.62**	*6,904.44*
Add: Unallocated income - Refer Note below									**1,547.29**	*546.55*
Add/Less: Unallocated expenses									**(1,352.42)**	*(1,671.23)*
Add/Less: Exceptional items other than related to segments (net)									**(970.92)**	*-*
Profit before tax and finance costs									**2,239.57**	*5,779.76*
Less: Finance costs									**1,200.76**	*1,172.79*
Profit before tax									**1,038.81**	*4,606.97*
Provision for taxation:										
Current tax expense									**188.00**	*1,050.00*
Deferred tax									**(176.38)**	*(533.04)*
Profit after tax									**1,027.19**	*4,090.01*
Capital employed										
Segment assets	**14,063.63**	*11,967.94*	**28,120.71**	*13,788.87*					**42,184.34**	*25,756.81*
Unallocated corporate assets									**32,434.77**	*28,138.03*
Total assets									**74,619.11**	*53,894.84*
Segment liabilities	**4,305.66**	*4,394.88*	**32,618.64**	*8,495.35*					**36,924.30**	*12,890.23*
Unallocated corporate liabilities									**14,283.10**	*13,148.84*
Total liabilities									**51,207.40**	*26,039.07*
Capital employed	**9,757.97**	*7,573.06*	**(4,497.93)**	*5,293.52*					**23,411.71**	*27,855.77*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**1,268.95**	*1,248.42*	**96.18**	*73.64*					**1,365.13**	*1,322.06*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress									**87.53**	*118.02*
Total capital expenditure (including investment properties)									**1,452.66**	*1,440.08*
Segment depreciation / amortisation	**676.98**	*531.48*	**224.06**	*227.15*					**901.04**	*758.63*
Unallocated corporate depreciation / amortisation									**45.93**	*37.24*
Total depreciation / amortisation									**946.97**	*795.87*
Non-cash segment expenses other than depreciation	**78.41**	*12.24*	**-**	*2.47*					**78.41**	*14.71*
Unallocated non-cash expenses other than depreciation									**-**	*2.18*
Total non-cash expenses other than depreciation									**78.41**	*16.89*

Note:
Other income allocable to respective segments has been considered as part of Segment Results.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

(b) Information about geographical segment for the year

	Within India		Outside India		Total	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Revenue	**20,234.25**	*27,026.69*	**2,493.33**	*2,717.22*	**22,727.58**	*29,743.91*
Total Non-current Assets (excluding Financial Assets, Tax Assets and Post Employment Benefits)	**9,431.46**	*8,617.16*	**-**	*-*	**9,431.46**	*8,617.16*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**1,452.66**	*1,440.08*	**-**	*-*	**1,452.66**	*1,440.08*

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2019 and 31st March, 2018.

42. Additional disclosure as required by Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

₹ in Lakhs

S. No.	Name		Balance as at 31st Mar., 2019	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st Mar., 2019
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:				
1.	Svadeshi Mills Company Limited	*	**4,391.78**	**4,391.78**	-
	(carrying no interest)	*	*4,391.78*	*4,391.78*	-
2.	Coromondal Garments Limited	*	**364.99**	**364.99**	-
	(carrying no interest)	*	-	-	-
3.	Edumetry INC	*	**72.53**	**72.53**	-
	(carrying no interest)	*	*72.53*	*72.53*	-
4.	Forbes Container Lines Pte. Limited	*	**302.47**	**302.47**	-
	(carrying no interest)	*	*302.47*	*302.47*	-

Note: * Provided as doubtful

The above excludes loans to employees.

Figures in italics are in respect of the previous years.

43. Svadeshi Mills is not considered as a related party of the Company as per Note 3.1.1. Secured Loans include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2019 (31st March, 2018 ₹ 4,391.78 Lakhs) granted to The Svadeshi Mills Company Limited. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

44. The Company had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai towards principal and interest towards loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016. The Management, basis the belief that it was a remote future possibility that ₹ 1,017.04 Lakhs would become refundable upon the final outcome of this matter, accounted for the receipt as explained above.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai directed the Company to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Company refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.79 Lakhs] and recorded this as an exceptional expense. The Company has subsequently been directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, which has been appealed against by the Company.

The Company has separately filed its Affidavit of Claim for ₹ 325.00 Lakhs along with interest at the bank rate with the Official Liquidator. However, since this filing was beyond the time period of filing affidavit, the Company was directed by the Official Liquidator to file for condonation of delay with the High Court. The Hon'ble High Court vide Order dated 8th April, 2019 condoned the delay in filing of the claim before the Official Liquidator and directed the Official Liquidator to adjudicate the claim within a period of six months.

45. Details of costs and revenue in respect of Project in progress for the year ended 31st March, 2018.

Methods used to determine the project revenue : Percentage Completion Method
Methods used to determine the stage of completion : The proportion that Project costs incurred for work performed upto the Balance Sheet date bear to the estimated total project costs.

₹ in Lakhs

	2017-18
Project revenue recognised during the year	*9,516.53*
Aggregate of Project costs incurred upto the reporting date	*11,163.27*
Profit recognised upto the reporting date	*7,000.86*
Advance received for projects in progress as at the reporting date (net of revenue recognised)	*185.45*
Amount of work-in-progress and the value of inventories as at the reporting date	*5,586.14*
Unbilled Revenue	*4,544.71*

(Unbilled revenue represents future instalments receivables from customers based on revenue recognised till Balance Sheet date)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

46. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

₹ in Lakhs

Name		During the year		Closing balance		Period	Rate of Interest (%)	Purpose
		Given	Returned					
A	**Investments made (refer Note 8)**	**3,505.00**	**-**					General corporate purpose
		1,000.00						
B	**Loans given**							
1	Svadeshi Mills Company Limited	**-**	**-**	**4,391.78**	*	**N.A.**	**N.A.**	General corporate purpose
		-	-	*4,391.78*	*	*N.A.*	*N.A.*	
2	Coromandal Garments Limited	**-**	**-**	**364.99**	*	**N.A.**	**N.A.**	General corporate purpose
		-	-	-				
3	Edumetry Inc. USA	**-**	**-**	**72.53**	*	**N.A.**	**N.A.**	General corporate purpose
		-	-	*72.53*	*	*N.A.*	*N.A.*	
4	Forbes Container Lines Pte Limited	**-**	**-**	**302.47**	*	**On Demand**	**12%**	General corporate purpose
		-	-	*302.47*	*	*On Demand*	*12%*	
5	Forbes Technosys Limited	**700.00**	**700.00**					General corporate purpose
		-	-					
C	**Guarantees given**							
1	Shapoorji Pallonji Bumi Armada Offshore	**-**	**-**	**3,107.71**		**N.A.**	**N.A.**	N.A.
	Limited	-	-	*2,906.42*	@	*N.A.*	*N.A.*	N.A.
2	Forbes Technosys Limited	**-**	**-**	**4,420.00**		**Continuing**	**N.A.**	
		-	-	*4,420.00*		*Continuing*	*N.A.*	Working Capital
		-	**-**	**13,500.00**		**3 years**	**N.A.**	General corporate purpose
		3,500.00	*2,500.00*	*13,500.00*		*3 years*	*N.A.*	
3	Shapoorji Pallonji Forbes Shipping Limited	**374.66**	**-**	**374.66**		**1 year**	**N.A.**	General corporate purpose
		350.39	-	*350.39*				

Note:

* Provided as doubtful

@ Guarantee given $ 44,75,000 *(Previous year $ 44,75,000)* difference is on account of foreign exchange fluctuations.

Figures in italics are in respect of the previous years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

47. Net debt reconciliation

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Short Term Borrowings	**(5,313.11)**	*(6,890.84)*
Long Term Borrowings	**(6,226.21)**	*(8,208.22)*
Current Maturities of Long Term Borrowings	**(5,462.87)**	*(1,770.85)*
Total debt	**(17,002.19)**	*(16,869.91)*
Cash and Cash equivalents	**824.18**	*2,168.21*
Net debt	**(16,178.01)**	*(14,701.70)*

₹ in Lakhs

	Other assets	**Liabilities from financing activities**		
	Cash and cash equivalents	**Long term borrowing including current maturity**	**Short term borrowing**	**Total**
Net debt as at 1st April, 2018	**2,168.21**	**(9,979.07)**	**(6,890.84)**	**(14,701.70)**
Cash flows	(1,344.03)	(1,700.00)	1,577.73	(1,466.30)
Interest expense		(1,009.11)	(615.84)	(1,624.95)
Interest paid		999.10	615.84	1,614.94
Net debt as at 31st March, 2019	**824.18**	**(11,689.08)**	**(5,313.11)**	**(16,178.01)**

₹ in Lakhs

	Other assets	*Liabilities from financing activities*		
	Cash and cash equivalents	*Long term borrowing including current maturity*	*Short term borrowing*	*Total*
Net debt as at 1st April, 2017	*1,657.06*	*(10,067.33)*	*(4,920.09)*	*(13,330.36)*
Cash flows	*511.15*	*103.77*	*(1,970.75)*	*(1,355.83)*
Interest expense		*(971.00)*	*(552.93)*	*(1,523.93)*
Interest paid		*955.49*	*552.93*	*1,508.42*
Net debt as at 31st March, 2018	*2,168.21*	*(9,979.07)*	*(6,890.84)*	*(14,701.70)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

48. Offsetting financial assets and financial liabilities

₹ in Lakhs

	Gross amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in Balance Sheet
	(Financial Assets -Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)	(Net Financial Assets - Trade Receivables)
31st March, 2019	**5,427.82**	**462.77**	**4,965.05**
Total	**5,427.82**	**462.77**	**4,965.05**
31st March, 2018	*5,040.50*	*314.36*	*4,726.14*
Total	*5,040.50*	*314.36*	*4,726.14*

The Company gives rebates/ discounts mainly for Engineering segment. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

49. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Current			
Floating charge			
Financial Assets			
- Trade receivables	9	4,113.48	-
- Cash and cash equivalents	13A	824.18	-
- Bank balances other than above	13B	164.71	-
- Loans	10B	23.07	-
- Other financial assets	11B	332.41	-
- Other current assets	14B	693.01	-
		6,150.86	-
Non-financial assets			
- Inventories	12	4,004.64	-
Total current assets pledged as security		**10,155.50**	-
Non-current			
Specific charge			
- Leasehold land	5	10.82	*10.99*
- Freehold buildings	5	208.30	*240.97*
- Plant & Machinery	5	2,652.01	*2,053.65*
- Furniture & fixtures	5	26.76	*36.33*
- Investment properties	6	216.16	*227.24*
Total non-currents assets pledged as security		**3,114.05**	*2,569.18*
Total assets pledged as security		**13,269.55**	*2,569.18*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

50. The real estate development operations under "Project Vicinia" was being executed at a plot of land situated at Chandivali, Mumbai as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011 for the then existing dispute. Subject to compliance with the terms of the said development agreement, VRIL was entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index in Project Vicinia.

During the current year, considering delays in making critical payments by VRIL, to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently the matter was referred to arbitration and vide the arbitration award dated 25th February, 2019 the Company was directed to pay an amount of ₹ 15,300.00 Lakhs to VRIL for restitution and that on payment of aforesaid amount, VRIL would have no interest, rights, title or any claim in respect of Project Vicinia.

Additionally, the Company entered into a Business Transfer Agreement ("BTA") with Paikar Real Estates Private Limited (hereinafter known as "PREPL"), (a fellow subsidiary) dated 27th February, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where-is basis as a going concern for an aggregate consideration of ₹ 15,500.00 Lakhs. The board of directors and shareholders' approved this transaction with PREPL on 27th February, 2019 and 29th March, 2019 respectively. As per the terms of BTA, the Company did not have ability to control or rights to variable returns over VRIL's interest in the Project Vicinia which the Company got pursuant to the arbitration award.

Subsequently, on receipt of the consideration from PREPL, the Company made payment of ₹ 15,300.00 Lakhs to VRIL on 2nd March, 2019 as per terms stated in the arbitration award and consequently, VRIL's interest in the development agreement was transferred to PREPL.

The Company and PREPL are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the specified land being developed.

Pursuant to the aforesaid transaction, the Company incurred legal and administrative costs aggregating ₹ 115.10 Lakhs which have been netted off against the gain on the aforesaid transfer and reflected the net gain on this transaction, aggregating ₹ 84.90 Lakhs as an exceptional item during the year ended 31st March, 2019.

51. As per Indian Accounting Standard 18/ 115 and Schedule III of the Companies Act, 2013, Revenue from Operations for the period 1st July, 2017 to 31st March, 2018 does not include Goods and Service Tax (GST), however Revenue from Operations till the period ended 30th June, 2017 includes Excise Duty. In view of the aforesaid restructuring of indirect taxes, Revenue from Operations for the year ended 31st March, 2018 are not comparable with previous year.

52. Changes in Accounting Policies

The Company has three major streams of revenue - sale of goods (engineering), rental income and real estate development. lnd AS 115 'Revenue from Contracts with Customers' is a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 effective from accounting period beginning on or after 1st April, 2018 and replaces the existing revenue recognition standards.

(i) According to IND AS 115, revenue is measured at the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in IND AS 115:

Step 1: Identify contracts with customers

Step 2: Identify performance obligations contained in the contracts

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations

Step 5: Recognize revenue when the performance obligation is satisfied

The Company applied Ind AS 115 for the first time using the modified retrospective method of adoption with the date of initial application of 1st April, 2018. Under this method, revenue is measured as the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Control can be transferred at a certain point in time or over a period of time. The Company has recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balances of retained earnings as at 1st April, 2018. The comparative information for the previous year has not been restated.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). However, the Company has elected to apply the standard to all contracts as at 1st April, 2018. There is no material impact on adoption of Ind AS 115 on the engineering and rental income business of the Company. The impact on the Company's retained earnings due to adoption of Ind AS 115 on the real estate development business as at 1st April, 2018 is as follows:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

Particulars	1st April, 2018
Retained Earnings (as previously reported)	7,877.29
Reversal of net profit on real estate projects under development (comprising income from real estate contracts aggregating ₹1,89,36.56 Lakhs net of real estate development costs aggregating ₹1,11,63.27 Lakhs)	(7,773.29)
Increase in Deferred Tax Assets on account of reversal of net profit on real estate projects under development	2,690.18
Adjustment to retained earnings from adoption of Ind AS 115	(5,083.12)
Retained Earnings (revised) post adoption of Ind AS 115	**2,794.17**

(ii) The following table presents the amounts by which each financial statement line item is affected in the current year ended 31st March, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

Balance Sheet (Extract)

Particulars	31st March, 2019 without adoption of Ind AS 115	Increase/ (Decrease)	31st March, 2019 as reported
Non-Current Assets			
Deferred Tax Asset (net)	1,779.69	3,212.73	4,992.42
Income Tax Asset (net)	1,202.77	100.76	1,303.53
Total Non-Current Assets	**36,841.39**	**3,313.49**	**40,154.88**
Current Assets			
Inventories	11,949.87	16,359.08	28,308.95
Other Financial Assets	3,890.30	(3,557.89)	332.41
Total Current Assets	**21,663.04**	**12,801.19**	**34,464.23**
Total Assets	**58,504.43**	**16,114.68**	**74,619.11**
Current Liabilities			
Other Current Liabilities	2,831.21	24,265.78	27,096.99
Current Tax Liabilities	759.28	(697.43)	61.85
Total Current Liabilities	**20,622.04**	**23,568.35**	**44,190.39**
Total Liabilities	**27,639.05**	**23,568.35**	**51,207.40**
Net Assets	**30,865.38**	**(7,453.67)**	**23,411.71**
Other Equity	29,575.52	(7,453.67)	22,121.85
Total Equity	**30,865.38**	**(7,453.67)**	**23,411.71**

Statement of Profit and Loss (extract) for the year ended 31st March, 2019

Particulars	31st March, 2019 without adoption of Ind AS 115	Increase/ (Decrease)	31st March, 2019 as reported
Revenue from Operations	31,607.76	(8,880.18)	22,727.58
Total Income	**33,418.99**	**(8,880.18)**	**24,538.81**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(3,217.11)	(5,195.81)	(8,412.92)
Total Expenses	**27,724.89**	**(5,195.81)**	**22,529.08**
Profit before Exceptional Items and Tax	**5,694.10**	**(3,684.37)**	**2,009.73**
Profit Before Tax	**4,723.18**	**(3,684.37)**	**1,038.81**
Income Tax Expense (current and deferred tax including MAT)	1,325.44	(1,313.82)	11.62
Profit for the year	**3,397.74**	**(2,370.55)**	**1,027.19**
Total Comprehensive Income for the year	**3,398.38**	**(2,370.55)**	**1,027.83**
Earnings per equity share attributable to the Owners (Basic and Diluted)	**26.34**	**(18.38)**	**7.96**

In respect of property development projects undertaken by the Company, as per the earlier accounting standard, the Company followed percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the relevant conditions are completed [refer Note (xvii) in significant accounting policies].

With the application of Ind AS 115, the focus for revenue recognition has shifted from risks and rewards to transfer of control. Control is said to be transferred at a point in time in respect of real estate development projects as the Company does not fulfill any of the criteria for satisfaction of performance obligation and revenue recognition over time as explained in note 2 (xvii).

Consequently, effective 1st April, 2018 as per requirements of Ind AS 115, the Company would recognise revenue at a point in time for real estate development projects when the performance obligation has been completed and the transfer of control to the customer takes places as against revenue recognition as per percentage of completion method as explained above. Accordingly, net impact on opening retained earnings aggregating ₹ 5,083.11 Lakhs (comprising reversal of income from real estate contracts aggregating ₹ 18,936.56 Lakhs, partially offset by real estate development costs aggregating ₹ 11,163.27 Lakhs and deferred tax asset aggregating ₹ 2,690.18 Lakhs) has been adjusted above as on 31st March, 2018. Additionally, all real estate developments costs incurred till date aggregating ₹ 24,304.31 Lakhs (costs incurred till 31st March, 2018 aggregates ₹ 16,749.40 Lakhs) have been inventorised as real estate work-in-progress as on 31st March, 2019 instead of ₹ 7,945.23 Lakhs as per earlier policy. Consequently, the increase in inventories as on 31st March, 2019 aggregating ₹ 16,359.08 Lakhs has been reflected in the extract of Balance Sheet above. All instalment payments received from the customers till date aggregating ₹ 25,461.61 Lakhs (installments received till 31st March, 2018 aggregates ₹ 14,577.30 Lakhs) have been accounted for as advances from customers as on 31st March, 2019 instead of ₹ 1,195.83 Lakhs as per the earlier policy. Consequently, the increase in advances from customers as on 31st March, 2019 aggregating ₹ 24,265.78 Lakhs has been reflected in the extract of Balance Sheet above. Also, unbilled revenue as on 31st March, 2019 aggregating ₹ 3,557.89 Lakhs has been adjusted from advances received from customers.

The Company has disclosed contract liabilities towards advances from customers aggregating ₹26,153.85 Lakhs *(Previous year ₹683.90 Lakhs)* in Note 21. There are no contract assets arising on account of implementation of Ind AS 115. There is no revenue recognised in the current year from contract liabilities existing at the beginning of the year.

53. The Board of Directors of the Company has recommended a dividend of ₹ 2.50 (25%) per equity share for the year ended 31st March, 2019 and an additional Special Centenary Year Dividend of ₹ 2.50 (25%) per equity share. There is no other material subsequent event occurred after Balance Sheet date.

54. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

55. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 30th May, 2019.

Signature to Notes 1 to 55

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

Independent Auditors' Report

To the Members of Forbes & Company Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Forbes & Company Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint ventures (refer Note 2.2 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss including Other Comprehensive Income, the consolidated Statement of Changes in Equity, the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2019, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 sub-paragraph 18 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
(a) Impairment risk of investment in and receivables from a wholly owned subsidiary and (b) Financial exposure relating to guarantee given to the same subsidiary (Refer Notes 8, 9, 11, 39 and 40 to the standalone financial statements) The Company has investment aggregating Rs.7,934.82 Lakhs in Forbes Technosys Limited (FTL), a wholly owned subsidiary and also has financial exposure by way of outstanding receivables aggregating Rs. 337.85 Lakhs and financial guarantees to FTL amounting to Rs. 17,920 Lakhs. During the year ended March 31, 2019, FTL has earned total comprehensive income aggregating Rs. 3.26 Lakhs and FTL's current liabilities exceeded its current assets by Rs. 4,937.76 Lakhs. This is an indicator of potential impairment of the investments, outstanding receivables and financial exposure relating to financial guarantees given. The management has estimated that FTL's net recoverable value is sufficient to cover the cumulative carrying value of total exposure in FTL comprising investments, outstanding receivables and liability, if any, towards financial guarantees, basis valuation performed by the management's expert who is an independent professional valuer.	Our procedures in relation to management's assessment of impairment risk and financial exposure included the following: • Evaluating and validating the design and operating effectiveness of the controls over determination of recoverable value of investments and receivable (including valuation model, assumptions and judgements); • Assessing the accuracy and reasonableness of the input data provided by the Management by way of agreeing with approved budgets; • Analysis of past trends by comparing the historical results vis-à-vis corresponding budgets; • Evaluating management expert's independence, competence, capabilities and objectivity; • Assessing along with the auditors' experts the reasonableness of the Company's process regarding impairment assessment and assumptions used in the impairment model; • Developing independent expectations regarding the impairment testing based on our understanding of the business, external industry trends and the subsidiary's historic business activity. • Evaluating the Company's impairment testing results against our expectations;

Key audit matter	How our audit addressed the key audit matter
The recoverable value of the investment has been determined using the discounted cash flow method, transaction multiple method and market multiple method, which involved significant estimates and judgement, including earning growth rate, cost escalation/savings, discount rate, terminal growth rate, transaction multiples etc. and is highly dependent on the management expert's inputs and assumptions, and is hence considered as a Key Audit Matter.	• Performing sensitivity analysis and evaluating whether any reasonably foreseeable change in assumptions could lead to impairment; and • Testing the mathematical accuracy of the underlying calculations. Based on the above procedures performed, the management's assessment in respect of impairment risk of investment in and receivables from a wholly owned subsidiary, and financial exposure relating to guarantee is considered to be reasonable.
First time implementation of Revenue recognition standard (Ind-AS 115) for Real Estate Development Activities (Refer Notes 25 and 52 to the standalone financial statements) Consequent to the implementation of Ind-AS 115, effective April 1, 2018, there has been change in the Company's policy for revenue recognition in respect of its real estate development projects. The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind-AS 115 involves significant judgement by the Management. Revenue recognition for real estate development activities is considered as a key audit matter considering significance of amounts involved, substantial transitional impact due to implementation of Ind-AS 115 along with related disclosures and involvement of management judgement in establishing enforceable right to payment for performance completed to date.	Our audit procedures included obtaining a listing of contracts with customers from the Management, and carrying out a combination of testing of internal financial controls with reference to financial statements for revenue recognition over real estate projects and test of details on a sample of transactions, which included: • Obtaining an understanding of the process and testing key controls followed by the management over revenue recognition for real estate development projects including controls surrounding implementation of Ind-AS 115; • Evaluating existence and completeness of the list of contracts with customers, and examining the mathematical accuracy including impact of transitional adjustments as on April 1, 2018; • Obtaining evidence regarding the transfer of control considering the criteria as per Ind-AS 115 for ensuring existence of enforceability of payment for work completed to date; and • Testing the accuracy and completeness of disclosures in the standalone financial statements including those relating to the change in the accounting policy for revenue recognition as per the requirements of the applicable Indian Accounting Standards. Based on the above audit procedures performed, we did not come across any significant exceptions with regard to the first time implementation of Ind-AS 115 in respect of real estate development activities.
Assessment of Provisions and Contingent Liabilities Refer to Notes 19A and 39 to the standalone financial statements. As at March 31, 2019, in respect of certain direct, indirect tax matters and other litigations, the Company had recognised provisions aggregating Rs. 277.98 Lakhs and disclosed contingent liabilities aggregating Rs. 12,432.50 Lakhs. The Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties , during the normal course of business. There is a high level of management judgement required in estimating the level of provisioning and/or the disclosures required. The judgement of the Management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Accordingly, unexpected adverse outcomes could significantly impact the Company's reported profit and Balance Sheet position.	Our audit procedures included the following: • Understanding and evaluating the process and controls designed and implemented by the management including testing relevant controls; • Obtaining the details of the related matters, inspecting the supporting evidences and assessing management's evaluation through discussions with management on both the probability of the ultimate outcome and the magnitude of financial impact; • Reading recent orders and/ or communication received from the tax authorities/ with certain other parties and management responses to such communication; • Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluation of the grounds presented therein; • Evaluating independence, objectivity and competence of the management's tax / legal consultants; • Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had direct discussion with them as and when required. • Understanding the current status of the direct and indirect tax assessments/ litigations;

Key audit matter	How our audit addressed the key audit matter
We considered the above area as the key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved.	• Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures. • Assessing the adequacy of disclosures in the standalone financial statements. Based on the above procedures we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.

5. The following Key Audit Matters were included in the audit report dated May 6, 2019, containing an unmodified audit opinion on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountant reproduced as under:

a) Going Concern Assessment

Description of Key Audit Matter:

The Company had accumulated losses of Rs.8,244.89 lakhs as on March 31, 2019 and its current liabilities exceeded its current assets by Rs.4,937.76 lakhs as on that date. These conditions indicate requirement of assessment of the Company's ability to continue as a going concern.

The Company's financial statements have been prepared on a going concern basis on the reporting date. The management's statement in respect of going concern assessment is set out in Note 34 of the financial statements.

Our response:

- We evaluated the appropriateness of management's use of going concern basis of accounting in the preparation of financial statements in accordance with Standard on Auditing issued by ICAI in this regard.

- We evaluated the management's plans for future actions in relation to its going concern assessment, to assess whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances.

- We assessed the possible mitigating actions identified by management in the event that actual cash flows are below forecast.

- We assessed the prospects of refinance or renewal or repayment of fixed term borrowings approaching maturity in next 12 months based on past experience of the Company and corporate guarantees issued by the holding company.

- We discussed and obtained a written letter from the holding company indicating its intention and ability to support the Company.

b) **Capitalisation of internally generated intangible assets (including assets under development) and their impairment testing**

Description of Key Audit Matter:

As on March 31, 2019, the carrying amounts of internally generated intangible assets recognised and intangible assets under development were Rs.3,602.31 lakhs and Rs.8,324.76 lakhs respectively, which together represent 49.83% of the total assets of the Company.

Recognition and impairment testing of intangible assets requires the Company to assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

The Company uses judgement to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

Refer note 2.7, note 2.8, note 4A, 4B and subheading (b) and (c) under non-current assets on balance sheet of the financial statements for accounting policies and carrying amounts of the said assets and impairment testing.

Our response:

- We evaluated the appropriateness of management's identification of the intangible asset and that the recognition process meets the requirements of Ind AS 38 'Intangible Assets'.

- We held discussions with technical team overseeing the development process to understand the feasibility of the assets under development and other resources currently available as well as resources required to complete the assets.

- We reviewed the process of identifying, measurement and allocation of costs that were directly attributable to the assets under development.

- We used a combination of test of controls and substantive procedures on a test check basis based on selected samples of costs being incurred and capitalised under assets under development.

- We reviewed the impairment testing carried out by the Company while verifying the carrying amount of the intangible assets under development.

c) **First time adoption of Ind AS 115 "Revenue from Contracts with Customers"**

Description of Key Audit Matter:

The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.

Refer note 2.3 and note 18 of the financial statements for accounting policies for revenue recognition and revenue recognised during year under various heads.

Our response:

- Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing on test check basis based on selected samples of contracts with customers.
- We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.
- We selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control and substantive testing, relating to identification of the distinct performance obligations and determination of transaction price.
- We selected sample documents relating to delivery of goods and documentation of performance of service, including customer acceptances to verify the transfer of control (either 'point in time' or 'over time') for revenue recognition.
- We considered the terms of the contracts to determine the transaction price to verify the transaction price used to compute revenue.
- In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.

6. An unmodified audit opinion dated May 21, 2019 on the consolidated financial statements of Eureka Forbes Limited, a subsidiary of the Holding Company was issued by an independent firm of Chartered Accountants and the following key audit matters and related audit procedures communicated to us on May 27, 2019 by the auditors of Eureka Forbes Limited, are reproduced as under:

Key audit matter	**How our audit addressed the key audit matter**
Carrying value of Lux goodwill Refer to Note 4 'Goodwill on Consolidation'. Included in the Group's Consolidated Balance Sheet as at March 31, 2019 is goodwill relating to the Lux business of Rs. 49,830.36 lakhs. Management has assessed the recoverable amount of the goodwill relating to the Lux business utilizing discounted cash flow model which includes significant judgement in respect of assumptions such as discount rates and future projections, as well as economic assumptions such as growth rates. We focused on this area as a key audit matter due to the judgement involved in forecasting future cash flows and the selection of assumptions.	In conjunction with internal valuation experts and component auditors, our procedures included, amongst others: • Understanding and evaluating the design and implementation and operating effectiveness of the Parent Company's control over review of impairment assessment of Goodwill. • Evaluating the 'value in use' discounted cash flow models developed by management to assess the recoverable amount of the goodwill, including critically assessing the following assumptions: - discount rate; - forecast cash flows; - growth rates by reference to recent performance; and - terminal growth rate.
	We corroborated market related assumptions in respect of the discount rate by reference to external data. • Testing the mathematical accuracy of the cash flow model. • Agreeing relevant data to the latest Board approved forecasts. • Assessing the historical accuracy of forecasting of the Group in relation to cash flows of cash generating unit. • Performing sensitivity analysis on discount rate. • Assessing the appropriateness of the relevant disclosures in the financial statements.

Key audit matter	How our audit addressed the key audit matter
Refer to Note 31. XIII "Terms of Borrowings". Management has classified Borrowings as at the Balance sheet date, into current and non-current liabilities based on the repayment schedule in accordance with the terms of borrowings. Based on the filings done with the bankers, there were breach in maintaining some of the financial ratios which is one of the requirements as per the borrowing terms. We focused on this area as a key audit matter due to the judgement involved in presenting borrowings as current/non-current based on the original terms of repayment as per the borrowing schedule.	Our procedures included, amongst others: • Testing of payment of interest and repayment of principal that are due during the year, in order to verify if there is a default in such payments. • Obtaining balance confirmation from banks for confirmation on outstanding loan balances. • Reviewing communications by the management with the lenders during the year, for submission of financial ratios based on the audited financial statements for the financial year 2017-18 and request for condonement and grant of waiver for additional margin.

Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report and corporate governance report, but does not include the consolidated financial statements and our auditors' report thereon.

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

9. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

10. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures 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.

12. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

16. 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.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 Matters

18. We did not audit the financial statements of 26 subsidiaries whose financial statements reflect total assets of Rs. 245,379.37 Lakhs and net assets of Rs. 44,231.89 Lakhs as at March 31, 2019, total revenue of Rs. 262,777.09 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 2,322.87 Lakhs and net cash outflows amounting to Rs. 5,299.67 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs.721.30 Lakhs for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of 3 associate companies and 5 joint ventures respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of such other auditors.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associates and joint ventures– Refer Notes 21 and 40 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2019 – Refer Note 20B to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint ventures.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group, associate companies and joint ventures for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date : May 30, 2019

Annexure A to Independent Auditors' Report
Referred to in paragraph 19(f) of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the consolidated financial statements for the year ended March 31, 2019

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Forbes & Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and joint ventures, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 (ICAI). 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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.

5. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to 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 with reference to 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 with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with respect to financial statements insofar as it relates to 11 subsidiary companies, 2 associate companies and 4 joint ventures, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date : May 30, 2019

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2019 ₹ in Lakhs	*As at 31st Mar., 2018 ₹ in Lakhs*
ASSETS					
1 Non-current assets					
Property, Plant and Equipment	**5**			**55,274.87**	*60,107.67*
Capital work-in-progress				**409.79**	*105.73*
Investment Properties	**6**			**2,564.89**	*2,547.91*
Goodwill	**7**			**49,840.03**	*47,742.19*
Other Intangible assets	**8**			**5,670.28**	*3,542.68*
Intangible assets under development				**8,323.57**	*9,339.66*
Financial Assets:					
i) Investments					
a) Investments in associates	**9A**	**-**			*-*
b) Investments in joint ventures	**9B**	**7,850.20**			*7,676.73*
c) Other Investments	**9C**	**223.81**			*333.96*
			8,074.01		*8,010.69*
ii) Trade receivables	**10A**		**5,300.43**		*4,384.13*
iii) Loans	**11A**		**3,326.42**		*3,304.96*
iv) Other financial assets	**12A**		**3,454.13**		*1,495.16*
				20,154.99	*17,194.94*
Tax assets					
i) Deferred tax assets (net)	**22A**		**6,651.77**		*2,615.04*
ii) Income tax assets (net)	**26**		**6,131.03**		*6,987.85*
				12,782.80	*9,602.89*
Other non-current assets	**15A**			**6,426.84**	*4,119.86*
Total Non-current assets				**1,61,448.06**	*1,54,303.53*
2 Current assets					
Inventories	**13**			**59,653.32**	*43,610.55*
Financial Assets:					
i) Investments	**9D**		**1.88**		*19.39*
ii) Trade receivables	**10B**		**46,510.85**		*42,102.25*
iii) Cash and cash equivalents	**14A**		**7,056.00**		*13,699.70*
iv) Bank balances other than (iii) above	**14B**		**433.25**		*425.06*
v) Loans	**11B**		**328.84**		*446.56*
vi) Other financial assets	**12B**		**1,132.70**		*6,727.35*
				55,463.52	*63,420.31*
Other current assets	**15B**			**11,350.21**	*14,960.32*
				66,813.73	*78,380.63*
Assets classified as held for sale	**16**			**4.42**	*1.98*
Total Current assets				**1,26,471.47**	*1,21,993.16*
Total Assets				**2,87,919.53**	*2,76,296.69*

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2019 ₹ in Lakhs	*As at 31st Mar., 2018 ₹ in Lakhs*
EQUITY AND LIABILITIES					
Equity					
Equity share capital	**17**		**1,289.86**		*1,289.86*
Other equity	**18**		**25,073.79**		*30,291.07*
Equity attributable to owners of the Company				**26,363.65**	*31,580.93*
Non-controlling interests	**50**			**10,922.90**	*11,922.69*
Total Equity				**37,286.55**	*43,503.62*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**19**	**57,851.82**			*73,531.90*
ii) Other financial liabilities	**20A**	**4,668.02**			*5,071.61*
			62,519.84		*78,603.51*
Provisions	**21A**		**1,048.88**		*2,365.79*
Deferred tax liabilities (net)	**22B**		**486.47**		*353.53*
Other non-current liabilities	**23A**		**12,035.94**		*10,930.65*
Total Non-current liabilities				**76,091.13**	*92,253.48*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**24**	**28,897.24**			*29,960.30*
ii) Trade payables	**25**				
a) total outstanding dues of micro enterprises and small enterprises; and		**1,895.24**			*1,931.23*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		**39,133.97**			*37,978.15*
iii) Other financial liabilities	**20B**	**38,409.18**			*32,280.43*
			1,08,335.63		*1,02,150.11*
Provisions	**21B**		**3,100.69**		*2,343.50*
Current tax liabilities (net)	**26**		**500.39**		*706.07*
Other current liabilities	**23B**		**62,605.14**		*35,339.91*
Total Current Liabilities				**1,74,541.85**	*1,40,539.59*
Total Liabilities				**2,50,632.98**	*2,32,793.07*
Total Equity and Liabilities				**2,87,919.53**	*2,76,296.69*

Significant Accounting Policies **2**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	₹ in Lakhs	Year Ended 31st Mar., 2019 ₹ in Lakhs	*Year Ended 31st Mar., 2018 ₹ in Lakhs*
I	Revenue from operations	27	285,341.89		*282,770.94*
II	Other income	28	3,766.03		*3,004.24*
III	**Total Income (I + II)**			289,107.92	*285,775.18*
IV	**Expenses:**				
	Real estate development costs	29	7,554.91		*6,404.34*
	Cost of materials consumed	30A	75,930.23		*67,605.37*
	Excise duty	51	-		*520.59*
	Purchases of stock-in-trade		26,629.28		*36,668.40*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	30B	(3,588.42)		*(1,481.54)*
	Employee benefits expense	31	68,627.25		*68,964.04*
	Finance costs	32	8,937.60		*9,555.96*
	Depreciation, amortisation and impairment expense	33	7,704.65		*7,704.57*
	Other expenses	34	95,913.02		*91,185.94*
	Total expenses (IV)			287,708.52	*287,127.67*
V	**Profit before exceptional items, Share of net profit of investment accounted for using equity method and tax (III - IV)**			1,399.40	*(1,352.49)*
VI	**Add: Share of profit of joint ventures and associates accounted for using equity method**			721.30	*940.66*
VII	**Profit before exceptional items and tax (V + VI)**			2,120.70	*(411.83)*
VIII	**Exceptional items - Income /(Expense)**	35		(970.92)	*-*
IX	**Profit /(Loss) before tax for the year (VII + VIII)**			1,149.78	*(411.83)*
X	**Tax expense:**				
	(a) Current tax (Pertaining to prior period ₹(-) 0.72 Lakhs *(Previous Year ₹ 45.64 Lakhs)*)	36	2,637.18		*3,602.23*
	(b) Deferred tax (including MAT credit availed of ₹ Nil *(Previous Year ₹ 612.72 Lakhs)*)	36	(1,188.92)		*(793.18)*
				1,448.26	*2,809.05*
XI	**Profit/(Loss) after tax for the year (IX - X)**			(298.48)	*(3,220.88)*
XII	**Other Comprehensive Income / (Loss)**				
	A (i) Items that will not be reclassified to Statement of Profit and Loss				
	(a) Remeasurement of the defined benefit plans			(63.00)	*(35.39)*
	(b) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			(0.01)	*0.02*
	(c) Equity instruments through other comprehensive income			(89.16)	*99.92*
	(d) Income Tax relating to the above items			54.17	*(44.19)*
				(98.00)	*20.36*
	B (i) Items that may be reclassified to Statement of Profit and Loss				
	(a) Exchange differences in translating the financial statements of foreign operations			395.40	*2,698.64*
				395.40	*2,698.64*
	Total Other Comprehensive Income			297.40	*2,719.00*
XIII	**Total Comprehensive Income/ (Loss) for the year (XI + XII)**			(1.08)	*(501.88)*
XIV	**Profit/ (Loss) for the year attributable to:**				
	- Owners of the Company			696.43	*(1,944.27)*
	- Non-controlling interests			(994.91)	*(1,276.61)*
				(298.48)	*(3,220.88)*
XV	**Other Comprehensive Income for the year attributable to:**				
	- Owners of the Company			293.43	*2,755.65*
	- Non-controlling interests			3.97	*(36.65)*
				297.40	*2,719.00*
XVI	**Total Comprehensive Income/ (Loss) for the year attributable to:**				
	- Owners of the Company			989.86	*811.38*
	- Non-controlling interests			(990.94)	*(1,313.26)*
				(1.08)	*(501.88)*
XVII	**Earning per equity share**				
	Basic and diluted earnings per equity share (₹)	38		5.47	*(15.27)*

Significant Accounting Policies 2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2019

	Year Ended 31st Mar., 2019 ₹ in Lakhs		*Year Ended 31st Mar., 2018 ₹ in Lakhs*	
Cash flows from operating activities				
Profit/(Loss) for the year		**1,149.78**		*(411.83)*
Adjustments for -				
Depreciation, amortisation and impairment expense	**7,704.65**		*7,704.57*	
Post acquisition share of profit/(loss) of Joint Venture (using Equity Method)	**(721.30)**		*(940.66)*	
Interest income earned on financial assets that are not designated as at fair value through profit or loss:				
i) Bank deposits	**(142.76)**		*(106.63)*	
ii) Interest income from financial assets and others at amortised cost	**(260.82)**		*(39.07)*	
iii) Customers and others	**(8.43)**		*(67.68)*	
Interest on Income tax Refund	**(386.38)**		*(46.65)*	
Finance costs	**8,937.60**		*9,555.96*	
Dividend Income				
i) from long-term investments	**(0.04)**		*(0.07)*	
ii) from current investments	**(0.04)**		*(0.49)*	
Net (Gain)/ Loss on disposal of property, plant and equipment	**(56.30)**		*(298.87)*	
Provision for doubtful trade receivables	**266.78**		*286.89*	
Provision for doubtful loans and advances	**707.89**		*23.68*	
Gain on disposal of current investments	**(412.94)**		*(218.71)*	
Gain on disposal of subidiary	**(84.56)**		-	
Bad trade receivables / advances written off (net)	**-**		*1,089.63*	
Credit balances / excess provision written back	**(749.37)**		*(71.93)*	
Net foreign exchange gain/(loss) including effect of exchange difference on consolidation of Foreign entities	**(372.42)**		*1,278.59*	
		14,421.56		*18,148.56*
Exceptional items:				
- Gain on transfer of interest	**(84.90)**		-	
- Expected out flow for disputed matters	**1,055.82**		-	
		970.92		-
		15,392.48		*18,148.56*
Operating profit before working capital changes		**16,542.26**		*17,736.73*
Changes in working capital:				
Movements in working capital:				
(Increase)/Decrease in trade and other receivables	**(5,575.68)**		*2,592.58*	
(Increase)/Decrease in inventories	**(4,879.50)**		*175.86*	
(Increase)/Decrease in other loans and advances	**(611.63)**		*(509.25)*	
(Increase)/Decrease in other financial assets	**(898.31)**		*(789.76)*	
(Increase)/Decrease in other assets	**1,833.26**		*(3,893.09)*	
Increase/(Decrease) in trade and other payables	**1,210.09**		*3,494.14*	
Increase/(Decrease) in other financial liabilities	**917.75**		*(588.41)*	
Increase/(Decrease) in provisions	**41.21**		*(1,733.15)*	
Increase/(Decrease) in other liabilities	**13,900.11**		*3,940.37*	
		5,937.30		*2,689.29*
Cash generated from operations		**22,479.56**		*20,426.02*
Income taxes paid (net of refunds)		**(1,597.92)**		*(3,393.15)*
(a) Net cash flow generated from operating activities		**20,881.64**		*17,032.87*
Cash flows from investing activities:				
Payments for property, plant and equipment (including investment properties and intangible assets)	**(6,393.42)**		*(16,600.17)*	
Payments for Long Term Investments	**(198.21)**		*(1,062.01)*	
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	**1,967.45**		*1,020.70*	
Restitution for termination of agreement for development of project	**(15,300.00)**		-	
Proceeds from slump sale (net of incidental expenses incurred)	**15,384.90**		-	
Payment for disputed matters	**(1,055.82)**		-	
Proceeds from sale of investments				
- in Subsidiaries	**221.52**		-	
- in Others	**21.00**		*399.19*	
Purchase of current investments	**(35,613.00)**		*(13,257.70)*	
Proceeds from sale of current investments	**36,043.45**		*13,472.81*	
Bank balances not considered as cash and cash equivalents	**(8.19)**		*2,836.89*	
Interest received	**401.29**		*240.26*	
Dividend received	**0.08**		*0.56*	
(b) Net cash flow generated from/(used in) investing activities		**(4,528.95)**		*(12,949.47)*

		Year Ended 31st Mar., 2019 ₹ in Lakhs		*Year Ended 31st Mar., 2018 ₹ in Lakhs*	
	Cash flows from financing activities:				
	Proceeds from long-term borrowings	**18,502.11**		*10,857.08*	
	Repayment of long-term borrowings	**(31,238.36)**		*(11,411.81)*	
	Proceeds from short-term borrowings	**25,484.48**		*33,890.84*	
	Repayment of short-term borrowings	**(25,139.58)**		*(31,920.09)*	
	Net increase/ (decrease) in Cash credit facilities, Buyers Credit, Overdraft facility, Commercial papers and Loans repayable on demand	**(1,407.95)**		*(1,286.90)*	
	Finance costs paid	**(8,795.85)**		*(9,102.41)*	
	Expenses on Issue of Shares by subsidiary	**-**		*(9.50)*	
	Expenses on Issue of Debentures by subsidiary	**-**		*(41.30)*	
	Dividend paid including taxes	**(367.31)**		*(394.14)*	
(c)	**Net cash flow generated from/ (used) in financing activities**		**(22,962.46)**		*(9,418.23)*
(d)	**Net increase/ (decrease) in cash and cash equivalents (a + b + c)**		**(6,609.77)**		*(5,334.83)*
(e)	**Cash and cash equivalents as at the commencement of the year**		**13,699.70**		*19,034.81*
(f)	**Cash and cash equivalents on disposal of subsidiary**		**(33.93)**		-
(g)	**Effects of exchange rate changes on cash and cash equivalents**		**-**		*(0.28)*
(h)	**Cash and cash equivalents as at the end of the year (d + e + f + g) (refer Note 14A)**		**7,056.00**		*13,699.70*

Reconciliation of cash and cash equivalents as per the cash flow statements

Cash and cash equivalents as per above comprise of the following	31st Mar., 2019 ₹ in Lakhs	*31st Mar., 2018 ₹ in Lakhs*
Balances with Banks		
- In current accounts	**5,838.64**	*12,615.01*
- In EEFC accounts	**15.79**	*60.54*
Deposits accounts (with original maturity upto 3 months)	**44.00**	*5.00*
Cheques, drafts on hand	**929.87**	*882.51*
Cash on hand	**227.70**	*136.64*
Balances as per statement of cash flows	**7,056.00**	*13,699.70*

Notes:

1. Cash flows are reported using the indirect method set out in Ind AS 7 Statement of Cash Flows, whereby Profit / (Loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated according to their nature.
2. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
3. Other bank balances (Refer Note 14B) at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 17.28 Lakhs (*Previous year ₹ 0.00 Lakhs*) and (ii) margin money deposits ₹ 147.43 Lakhs (*Previous year ₹ 64.88 Lakhs*) given as security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Group.

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

Statement of changes in equity for the year ended 31st March, 2019

a. Equity share capital ₹ in Lakhs

Particulars	Amount
Balance as at 31st Mar., 2017	**1,289.86**
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2018	**1,289.86**
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2019	**1,289.86**

b. Other equity

₹ in Lakhs

			Reserves and surplus										Items of other comprehensive income					
Particulars	**Equity component of compound financial instru-ments**	**Treasury Shares**	**Capital reserve**	**Capital reserve on merg-er ***	**Capital con-tribution reserve**	**Securities premium reserve**	**Tonnage tax reserve**	**Debenture redemp-tion reserve**	**General reserve**	**Capital reserve for bargain purchase business combinations**	**Retained earnings**	**Sub-total**	**Equity instrument through other comprehen-sive income**	**Foreign currency trans-lation reserve**	**Sub-total**	**Attrib-utable to owners of the parent**	**Non-con-trolling interests**	**Total**
Balance as at 31st March, 2017	*894.42*	*(32.55)*	*188.25*	-	*493.54*	*161.76*	*221.13*	*2,500.00*	*42,594.28*	*1,221.43*	*(19,446.93)*	*27,933.46*	*(13.65)*	*1,323.22*	*1,309.57*	*30,104.90*	*13,235.95*	*43,340.85*
Profit for the year	-	-	-	-	-	-	-	-	-	-	*(1,944.27)*	*(1,944.27)*	-	-	-	*(1,944.27)*	*(1,276.61)*	*(3,220.88)*
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	*(25.25)*	*(25.25)*	*45.61*	*2,735.29*	*2,780.90*	*2,755.65*	*(36.65)*	*2,719.00*
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	*(1,969.52)*	*(1,969.52)*	*45.61*	*2,735.29*	*2,780.90*	*811.38*	*(1,313.26)*	*(501.88)*
Exchange difference on translation of foreign operations arising during the year	-	-	-	-	-	-	-	-	-	-	*(109.14)*	*(109.14)*	-	-	-	*(109.14)*	-	*(109.14)*
Other Adjustment on account change in controlling interest	-	-	-	-	-	-	-	-	-	-	*(82.43)*	*(82.43)*	-	-	-	*(82.43)*	-	*(82.43)*
Utilised on sale of related capital assets	-	-	*(30.00)*	-	-	-	-	-	-	-	-	*(30.00)*	-	-	-	*(30.00)*	-	*(30.00)*
Transfer (from)/to retained earnings	-	-	-	-	-	-	*(221.13)*	-	-	-	*221.13*	-	-	-	-	-	-	-
Cumulative gain/ (loss) reclassified to retained earning on sale of Equity Instruments through FVOCI	-	-	-	-	-	-	-	-	-	-	*55.06*	*55.06*	*(55.06)*	-	*(55.06)*	-	-	-
Expenses related to issue of shares by a subsidiary	-	-	-	-	-	-					*(9.50)*	*(9.50)*	-	-	-	*(9.50)*	-	*(9.50)*
Transactions with owners in their capacity as owners																		
Payment of dividends on equity shares	-	-	-	-	-	-		-	-	-	*(318.31)*	*(318.31)*	-	-	-	*(318.31)*	-	*(318.31)*
Tax on Intra group dividends	-	-	-	-	-	-	-	-	-	-	*(75.83)*	*(75.83)*	-	-	-	*(75.83)*	-	*(75.83)*
Total transactions with owners in their capacity as owners	-	-	-	-	-	-	-	-	-	-	*(394.14)*	*(394.14)*	-	-	-	*(394.14)*	-	*(394.14)*
Balance as at 31st March, 2018 (as originally presented)	**894.42**	**(32.55)**	**158.25**	-	**493.54**	**161.76**	-	**2,500.00**	**42,594.28**	**1,221.43**	**(21,735.47)**	**25,393.79**	**(23.10)**	**4,058.51**	**4,035.41**	**30,291.07**	**11,922.69**	**42,213.76**
Change in accounting policy (Refer Note 64)	-	-	-	-	-	-	-	-	-	-	**(5,161.67)**	**(5,161.67)**	-	-	-	**(5,161.67)**	-	**(5,161.67)**

₹ in Lakhs

Particulars	Equity component of compound financial instru-ments	Treasury Shares	Reserves and surplus										Items of other comprehensive income					
			Capital reserve	Capital reserve on merg-er *	Capital con-tribution reserve	Securities premium reserve	Tonnage tax reserve	Debenture redemp-tion reserve	General reserve	Capital reserve for bargain purchase business combinations	Retained earnings	Sub-total	Equity instrument through other comprehen-sive income	Foreign currency trans-lation reserve	Sub-total	Attrib-utable to owners of the parent	Non-con-trolling interests	Total
Restated Balance as at 1st April, 2018	**894.42**	**(32.55)**	**158.25**	**-**	**493.54**	**161.76**	**-**	**2,500.00**	**42,594.28**	**1,221.43**	**(26,897.14)**	**20,232.12**	**(23.10)**	**4,058.51**	**4,035.41**	**25,129.40**	**11,922.69**	**37,052.09**
Profit for the year	-	-	-	-	-	-	-	-	-	-	696.43	696.43	-	-	-	696.43	(994.91)	(298.48)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	(45.46)	(45.46)	(52.54)	391.43	338.89	293.43	3.97	297.40
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**650.97**	**650.97**	**(52.54)**	**391.43**	**338.89**	**989.86**	**(990.94)**	**(1.08)**
Exchange difference on translation of foreign operations arising during the year	-	-	-	-	-	-	-	-	-	-	(475.91)	(475.91)	-	-	-	(475.91)	-	(475.91)
Adjustment on conversion of Joint Venture into Subsidiary	-	-	-	-	-	-	-	-	-	-	(193.82)	(193.82)	-	-	-	(193.82)	-	(193.82)
Other Adjustment on account change in controlling interest	-	-	-	-	-	-	-	-	-	-	8.85	8.85	-	-	-	8.85	(8.85)	-
Cumulative gain/ (loss) reclassified to retained earning on sale of Equity Instruments through FVOCI	-	-	-	-	-	-	-	-	-	-	5.74	5.74	(5.74)	-	(5.74)	-	-	-
Transactions with owners in their capacity as owners																		
Payment of dividends on equity shares	-	-	-	-	-	-	-	-	-	-	(318.31)	(318.31)	-	-	-	(318.31)	-	(318.31)
Tax on Intra group dividends	-	-	-	-	-	-	-	-	-	-	(66.28)	(66.28)	-	-	-	(66.28)	-	(66.28)
Total transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(384.59)**	**(384.59)**	**-**	**-**	**-**	**(384.59)**	**-**	**(384.59)**
Balance as at 31st March, 2019	**894.42**	**(32.55)**	**158.25**	**-**	**493.54**	**161.76**	**-**	**2,500.00**	**42,594.28**	**1,221.43**	**(27,285.90)**	**19,843.36**	**(81.38)**	**4,449.94**	**4,368.56**	**25,073.79**	**10,922.90**	**35,996.69**

* Amount is below the rounding off norm adopted by the Group.

Significant Accounting Policies **2**

The accompanying notes form an integral part of the financial statements

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

1. CORPORATE INFORMATION

Forbes & Company Limited ("the Company") is one of the oldest companies of the world that is still in existence. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Group and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding company is Shapoorji Pallonji and Company Private Limited. The principal activities of the Company and its subsidiaries includes Health, Hygiene, Safety Products and its services, manufacturing and sale of engineering products, real estate development project and leasing of premises, IT Enabled Services and Products and Shipping and Logistics Services. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read together with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

2.2 Basis of Preparation and Presentation of Consolidated Financial Statements

The consolidated financial statements have been prepared on a historical cost basis except for the following;

- Certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale - measured at fair value less cost to sell or their carrying amount whichever is lower;
- defined benefit plans - plan asset measured at fair value Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 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; and
- Level 3 inputs are unobservable inputs for the asset or liability

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products/activities of the Group and the normal time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for engineering business, shipping and logistics services, health, hygiene, safety products and its services, IT enabled services and products and 48 months for real estate business for the purpose of classification of its assets and liabilities as current and non current .

These financial statements are presented in Indian Rupees (₹) which is the Group's functional currency. All amounts are rounded off to the nearest lakhs (including two decimals), unless otherwise stated. The accounting policies adopted in the preparation of the financial statements are consistent with those of the previous year.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses 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 listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The excess of cost of investment in the subsidiary over the Group's portion of equity of the subsidiary, at the date on which investment is made, is recognised in the financial statements as Goodwill on Consolidation.

The excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.

Non-controlling Interests in the net assets of the subsidiaries consist of :

(i) The amount of equity attributable to non-controlling interest at the date on which investment is made; and

(ii) The non-controlling interest's share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the non-controlling interest in a consolidated subsidiary may exceed the non-controlling interest in the equity of subsidiary. The excess, and any further losses applicable to the non-controlling interest, are adjusted against the controlling interest except to the extent that the non-controlling interest has a binding obligation to, and is able to, make good the losses.

Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

<u>Changes in the Group's ownership interests in existing subsidiaries :</u>

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as transactions with equity owners of the Group. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired business and the equity interests issued by the Group and fair value of any asset/ liability resulting from contingent consideration arrangement in exchange of control of the acquired business. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date ; and

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.5 The financial statements of the Company, its subsidiaries, Joint ventures and associates used in the consolidation are drawn upto the same reporting date i.e. 31st March, 2019, other than Euro Forbes Ltd., Forbes Lux International AG, Lux International AG, Forbes International AG, Lux Italia srl, Lux Schweiz AG, Lux (Deutschland) GmbH, Lux International Services and Logistics GmbH, Lux Norge A/S, Lux Osterreich GmbH, Lux Hungária Kereskedelmi Kft., Forbes Lux FZCO, AMC Cookware (Proprietary) Limited, Lux Del Paraguay S.A., Lux Aqua Hungária Kft, LIAG Trading & Investment Ltd., Lux Aqua Paraguay SA, Lux Professional International GmbH, Lux Aqua Czech s.r.o, Lux International Service Kft whose reporting dates are 31st December, 2018. Necessary material adjustments have been made, for the effects of significant transactions and other events between the reporting dates of such financial statements and these consolidated financial statements.

FORBES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Subsidiaries:

The list of subsidiary companies which are included in the consolidated financial statements and the Group's holdings therein are as under:

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2019	*As at 31st Mar., 2018*
1	Eureka Forbes Limited and its subsidiaries:		India	**100.00**	*100.00*
	- Aquadiagnostics Water Research & Technology Center Limited (upto 25th June, 2018)	1	India	-	*100.00*
	- Aquaignis Technologies Private Limited (w.e.f 13th June 2018)	2	India	**100.00**	-
	- Forbes Lux International AG		Switzerland	**100.00**	*100.00*
	- Lux International AG		Switzerland	**100.00**	*100.00*
	- Lux del Paraguay S.A.	3	Paraguay	**50.00**	*50.00*
	- Forbes International AG (formerly Forbes Lux Group AG)	4	Switzerland	-	*100.00*
	- Lux Italia srl		Italy	**100.00**	*100.00*
	- Lux Schweiz AG		Switzerland	**100.00**	*100.00*
	- Lux (Deutschland) GmbH		Germany	**100.00**	*100.00*
	- Lux International Services and Logistics GmbH (formerly Lux Service GmbH)		Germany	**100.00**	*100.00*
	- Lux Norge A/S		Norway	**100.00**	*100.00*
	- Lux Osterreich GmbH		Austria	**100.00**	*100.00*
	- Lux Hungária Kereskedelmi Kft.		Hungary	**100.00**	*100.00*
	- Lux Aqua Hungária Kft (upto 30th April, 2018)	5	Hungary	-	*100.00*
	- LIAG Trading & Investment Ltd.		UAE	**100.00**	*100.00*
	- Lux Professional International GmbH (formerly Lux Aqua Gmbh)	6	Switzerland	-	*100.00*
	- Lux Aqua Czech s.r.o (upto 30th April, 2018)	7	Czech Republic	-	*100.00*
	- Lux International Service Kft (w.e.f 6th January, 2017)	8	Hungary	-	*100.00*
	- Lux Aqua Paraguay S.A (w.e.f 1st December, 2016)		Paraguay	**90.00**	*90.00*
	- EFL Mauritius Limited		Mauritius	**100.00**	*100.00*
	- Euro Forbes Financial Services Limited		India	**100.00**	*100.00*
	- Euro Forbes Limited		UAE	**100.00**	*100.00*
	- Forbes Lux FZCO		UAE	**100.00**	*99.42*
	- Forbes Facility Services Private Limited		India	**100.00**	*100.00*
	- Forbes Enviro Solutions Limited		India	**100.00**	*100.00*
2	Forbes Campbell Finance Limited and its subsidiaries:		India	**100.00**	*100.00*
	- Forbes Campbell Services Limited		India	**98.00**	*98.00*
	- Forbes Edumetry Limited	9	India	**57.50**	*57.50*
3	Forbes Technosys Limited		India	**100.00**	*100.00*
4	Volkart Fleming Shipping and Services Limited		India	**100.00**	*100.00*
5	Shapoorji Pallonji Forbes Shipping Limited	10	India	**25.00**	*25.00*
6	Campbell Properties & Hospitality Services Limited		India	**100.00**	*100.00*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Footnotes:

1 Aquadiagnostics Water Research & Technology Centre Limited, ceased to be subsidiary of EFL w.e.f. 25th June, 2018.

2 Aquaignis Technologies Private Limited, a joint venture of Eureka Forbes Limited, became a wholly owned subsidiary of EFL w.e.f. 13th June, 2018.

3 Full consolidation in case of Lux del Paraguay S.A is due to operational control.

4 Forbes International AG merged with Lux International AG w.e.f. 23rd March, 2018.

5 Lux Aqua Hungária Kft ceased to be a subsidiary w.e.f. 30th April, 2018 on account of sale to third party.

6 Lux Professional International Gmbh merged with Lux International AG w.e.f. 23rd March, 2018.

7 Lux Aqua Czech s.r.o. ceased to be a subsidiary w.e.f. 30th April, 2018 on account of sale to third party.

8 Lux International Services Kft Hungary ceased to be subsidiary during the year.

9 Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956.

10 The Group has 25% ownership in Shapoorji Pallonji Forbes Shipping Limited (SPFSL) by virtue of joint venture agreement. However, SPFSL is consolidated as a subsidiary due to the Group's ability to appoint majority of directors on the Board of SPFSL.

11 The Board of Directors has taken the decision to transfer the business activities in Czech Republic and Slovakia to a distributorship model. To make the group structure more transparent the decision was made to stop the Waterline business and merge the professional companies with the sales companies in different countries.

Foreign Subsidiaries

The consolidated financial statements includes twenty subsidiaries (previous year: twenty subsidiaries) incorporated outside India whose financial statements have been drawn up in accordance with the generally accepted accounting practices (GAAP) as applicable in those countries. These financial statements have been re-stated in Indian Rupees (presentation currency) and the resultant exchange gain /loss on conversion has been accounted in total comprehensive income and foreign currency translation reserve. In the opinion of the Management, based on the analysis of the significant transactions at subsidiaries, no material adjustments are required to be made to comply with Group accounting policies.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. When necessary, adjustments are made to the financial statements of associates and joint ventures 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. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group 's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a Group entity transacts with an associate or a joint venture of the Group , profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group .

The financial statements of the following companies which are in the nature of Joint ventures have been considered in the consolidated financial statements.

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2019	*As at 31st Mar., 2018*
1	Forbes Aquatech Limited	1	India	**50.00**	*50.00*
2	Forbes Concept Hospitality Services Private Limited	1	India	**50.00**	*50.00*
3	Infinite Water Solutions Private Limited	1	India	**50.00**	*50.00*
4	Forbes G4S Solutions Private Limited	1&5	India	-	*50.00*
5	Aquaignis Technologies Private Limited	1&4	India	-	*50.00*
6	AMC Cookware (Proprietary) Limited $	2	South Africa	**50.00**	*50.00*
7	Forbes Bumi Armada Limited.	3	India	**51.00**	*51.00*

Footnotes:

1 Joint ventures of Eureka Forbes Limited.

2 Joint venture of Lux International AG.

3 Joint venture of Forbes Campbell Finance Limited

4 Aquaignis Technologies Private Limited, a joint venture of Eureka Forbes Limited, became a wholly owned subsidiary of EFL w.e.f. 13th June, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

5 As on 31st March, 2019 the Group holds 10.87% in Forbes G4S Solutions Private Limited and it no longer continues to be a joint venture company of the Group.

$ Reporting date is 31st December, 2018

The financial statements of the following associates are considered in the consolidated financial statements.

	Name of the Entity	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
			As at 31st Mar., 2019	*As at 31st Mar., 2018*
1	Euro P2P Direct (Thailand) Co. Limited *	Thailand	**49.00**	*49.00*
2	Nuevo Consultancy Services Private Limited	India	**49.00**	*49.00*
3	Dhan Gaming Solution (India) Private Limited	India	**49.00**	*49.00*

* Investment in above associate has been fully provided. Losses (if any), in excess of the investment made by the group have not been provided since the group has not incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the group has guaranteed or to which the group is otherwise committed. Therefore, no amounts have been included in the consolidated financial statements on account of this associate in the current year.

2.7 Property, Plant and Equipment (including Investment Properties)

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Freehold land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Group and cost can be reliably measured. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on property, plant and equipment has been provided on straight line method as per the useful lives estimated by management, the life of the assets has been assessed based on technical evaluation which are higher than those specified by Schedule II to the Act, taking into account the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains / losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

The estimated useful lives of the property, plant and equipment are as under:

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	20 - 60 years
b	Plant and Equipment	
	- Owned	5-15 years
	- Leased	6 years
c	Furniture and Fixtures	2-10 years
d	Vehicles	3-5 years
e	Office equipments	3-5 years
f	Data processing equipments:-	
	- Owned	3-6 years
	- Leased	Lower of lease term and useful life as stated above
g	Buildings on leasehold land (including Investment Properties)	Lower of the useful life in the range of 30 - 60 years and the lease term except in cases where useful life of certain building is based on technical evaluation
h	Shipping vessels	20 years
i	Temporary structures (included in building)	4 years
j	Drydock expenses incurred on Intermediate survey (included in Shipping vessels)	2.5 years
k	Drydock expenses incurred on Special survey (included in Shipping vessels)	5 years
l	Leasehold Land	Over the period of lease
m	Leasehold Improvements	Over the period of lease

Property, plant and equipment individually costing ₹ 5,000 and less are depreciated fully in the year of purchase.

2.8 Capital work-in-progress

Projects under which tangible Property, plant and equipment are not yet ready for their use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

2.9 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of lease hold land is equivalent to the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

2.10 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost comprises acquisition and implementation cost.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Research costs are charged to the Statement of Profit and Loss as they are incurred.

Indirect development costs for products are charged to Statement of Profit and Loss in the year in which incurred. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate economic benefits, the availability of resources to complete the

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

asset and the ability to measure reliably the expenditure during development.

Intangible assets internally generated

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell that asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during the development. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of the expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between sales proceeds and the carrying amount of the assets and is recognised in Statement of Profit and Loss.

The estimated useful lives of intangible assets are as under:

Sr. No.	Class of assets	Estimated useful life
a	Software acquired	3 - 5 years
b	Internally generated software (comprising Bill Payment and Cheque Deposits software, Forbes Xpress and Cash based Ticketing Solutions and other peripherals relating to banking)	3 - 6 years
c	Brand Names / Trademarks	3 - 5 years
d	Product Development expenditure and Other Intangible assets	On straight line basis over the best estimate of their useful lives basis expected future benefits but not exceeding 10 years
e	Technical know-how	5 years

2.11 Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

2.12 Impairment of Assets

The Group assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separate identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of asset (cash-generating unit). If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

2.13 Deemed cost for property, plant and equipment, investment properties and intangible assets

The Group has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangibles assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and amounts that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in "Other income".

Investments in equity instruments at FVOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from revenue transactions, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets and risk exposure, 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. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Compound financial instruments

The component parts of compound financial instruments (preference shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the preference shares, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the preference shares are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the preference shares using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Borrowings are initially recognised at fair value, net of transaction costs incurred.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

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 financial 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 where appropriate.

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

2.15 Borrowing Cost

Borrowing costs includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.16 Foreign Currency Transactions and Translation

In preparing the financial statements of each entity, transactions in currencies other than the that entity's functional currency viz. Indian Rupee (₹) are recognised at the rates of exchange prevailing at the dates of the transactions. Exchange difference on monetary items in respective entities is recognised in the Statement of Profit and Loss in the period in which they arise. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the Statement of Profit and Loss.

2.17 Inventories

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis. Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as “Real Estate Work in Progress” under Note 13 Inventories.

Real estate development work-in-progress cost includes construction and development cost, allocated interest and other overheads related to projects under construction and is valued at lower of cost and net realizable value.

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.

2.18 Earnings Per Share

Basic Earnings per share are calculated by dividing the consolidated net profit / (loss) after tax for the year attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

A. Revenue from real estate contracts (applicable for the year ended 31st March, 2019):

In respect of real estate development projects undertaken by the Group, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs

b) the entity’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revenue over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customers acceptance of the real estate units.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units on transfer of control of the real estate units to the customers.

B. Revenue from real estate contracts (applicable for the year ended 31st March, 2018):

In respect of property development projects undertaken by the Group, the Group follows percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the following conditions are completed:

a) All critical approvals for commencement of the project have been obtained; and

b) The actual construction and development cost incurred is at least 25% of the total construction and development cost; and

c) At least 25% of the saleable project area is secured by contracts or agreements with buyers and ;

d) At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

Determination of revenues under the percentage completion method necessarily involves making estimates by the Group some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion and the expected revenue from the project and the foreseeable losses to completion.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units upon achieving threshold percentage of actual project cost incurred (excluding development rights and borrowing cost) as against the total estimated cost of the project (excluding development rights and borrowing cost).

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

C. Sale of goods:

Revenue from the sale of goods is recognised when control of the products has been transferred based on agreed terms and there is no unfulfilled obligation which could affect the customers acceptance of the products.

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

Sales are recognised, net of estimated returns, trade discounts, taxes, incentives and rebates as applicable.

A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

In relation to certain contracts where installation services are provided by the group, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between group and customers.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience. Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component
b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred
c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

As part of the adoption of the new standard, contract assets and contract liabilities are new additions to the Balance Sheet disclosure. A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

D. Sale of services:

a) Charter hire earnings are recognized as the service is performed and accrued on time basis as per terms stated in pool agreement.
b) Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties. For fixed price contracts, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided.
c) Commission income is recognised as per terms of agreement with repective party and in the period in which services are rendered.

Unbilled revenue with respect to Maintenance Contract is recognised to the extent not billed at the year end and unbilled revenue from sale of customised software is recognised to the extent of stage of completion of development.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

E. Income from Recharge sales

Revenue on sale of recharge recognised when the pins are downloaded by the customer.

F. Lease Income

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rental income under operating leases is recognised in the Consolidated Statement of Profit and Loss on a straight- line basis.

G. Interest and Dividend Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

H. Export Incentives:
Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

2.20 Employee Benefits

a) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

b) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Group operates the following post-employment schemes:

- Defined Contribution plans such as superannuation, pension, provident fund (in case of certain employees) and Employee State Insurance Corporation (ESIC).

- Defined Benefit plans such as gratuity, provident fund (in case of certain employees), post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee).

Defined Contribution Plans

The Group's contribution to superannuation fund, pension, provident fund (in case of certain employees) and employee state insurance scheme are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of Superannuation, pension, provident fund (in case of certain employees) and employee state insurance scheme, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plans

In case of Provident fund (in case of certain employees), contributions are made to a Trust administered by the Group. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

Eligible employees receive benefits from a provident fund which is defined benefit plan. Both the employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Group contributes a part of the contributions to Forbes & Company Ltd. Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Group has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

The present value of the defined benefit obligation in respect of gratuity, post-retirement medical benefits and non-compete fees plans is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit or Loss as past service cost.

In the case of subsidiary namely Eureka Forbes Limited, the subsidiary operates a defined benefit gratuity plan for employees. The subsidiary contributes to a separate trust administered by the subsidiary towards meeting the Gratuity obligation. The subsidiary's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report , which comprise actuarial gains and losses are recognised in OCI.

<u>Pension policy</u>

Lux Group companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee-administered funds. There are two different categories of such pension schemes:

- Swiss pension plans
- Foreign pension plans

<u>Swiss pension plans</u>

Swiss pension plans are stated according to SWISS GAAP FER 16

Employees and former employees receive different employee benefits and retirement pensions, which are determined in accordance with the legislative provision in Switzerland. All risks are reinsured and underfunding is not possible.

<u>Foreign pension plans</u>

Pension plans were restated according to Swiss GAAP FER 16 in 2014.

The following companies have pension plans: Lux Austria

There are other Lux Group companies that have internal or external pension plans. However these plans are not material for the Group and therefore no further information is disclosed.

Since the above pension plans are operated as per the laws of respective countries, no adjustment has been carried out for differences.

d) A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the group recognises any related restructuring costs.

2.21 Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Group recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Group will be liable to pay normal income tax during the specified period.

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, Shapoorji Pallonji Forbes Shipping Limited (subsidiary) has opted for computation of it's income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed Tonnage Income of the Group and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the subsidiary are not material, in view of which deferred taxation is not considered as necessary.

2.22 Lease Accounting

(i) Operating Leases

Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the Statement Profit and Loss on a straight-line basis over the lease term.

(ii) Finance Leases

Leases, where the lessor transfers, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance lease. Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

2.23 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate the Group's resources and assess performance.

2.24 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranties

Provisions for the expected cost of warranty obligations under local sale of good legislations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflow of resources embodying economic benefits are remote.

2.25 Goodwill On Consolidation

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the Group's share of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill arising from the acquisition of associate companies and joint ventures is included in the value of the Group's holdings in the associate and joint ventures.

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

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

Any impairment loss for goodwill is recognised directly in the Consolidated statement of profit and loss, and is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Consolidated Statement Profit and Loss on disposal.

2.26 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. These are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the period in line with the related costs.

2.27 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

2.28 Non-Current Assets Held For Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Current assets are not depreciated or amortised while they are classified as held for sale.

2.29 Principles of business combinations

The acquisition method of accounting under Ind AS is used to account for business combinations by the Group from the date of transition to Ind AS i.e. 1st April, 2015. Prior to the date of transition to Ind AS, business acquisitions have been accounted based on previous GAAP.

2.30 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in Note 2, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (refer Note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1.1. The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Group although the Group owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated 23rd February, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Group does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development:

In case of Real estate development, the Group's revenue recognition and margin recognition policy till 31st March, 2018, which are set out in Note 2.19(B), involved estimation as regards how the Group values the work it has carried out in each financial year and corresponding recognition of revenue and expenses. These policies require forecasts to be made of the outcomes of long-term real estate development services, which require assessments and judgements to be made mainly on sale considerations, changes in the plan/outlay of work and changes in costs.

3.2.2 Contingent Liabilities and Provisions

Contingent Liabilities and Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of outflow of liabilities, judgement is applied and re-evaluated at each reporting date.

3.2.3 Useful life and residual value of Property, Plant and Equipment, Intangible Assets and Investment Properties

As described in Notes 2.7, 2.9 and 2.10, the Group reviews the estimated useful life and residual values of property, plant and equipment, intangibles and investment properties at each reporting date.

3.2.4 Fair value measurement and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.

3.2.5 Impairment of Goodwill on consolidation

Determining whether goodwill is impaired requires as estimation of fair value/ value in use of cash-generating units to which goodwill has been allocated. Such valuation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period

3.2.7 Defined Benefit Obligations

The present value of defined benefit obligations is determined by discounting the estimated future cash outflows by reference to market yields at the end of reporting period that have terms approximating to the terms of the related obligation.

3.2.8 Deferred Tax Asset

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Group recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Group will be liable to pay normal income tax during the specified period.

3.2.9 Refund Liabilities

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience.

4. STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after 1st April, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The Group has a number of material non-cancellable operating leases or leases having lease terms of more than 12 months that are impacted on adoption of this standard.

The main changes arising on the adoption of Ind AS 116 will be as follows:

1. In the Consolidaed Balance Sheet, interest-bearing borrowings and non-current assets will increase as obligations to make future payments will be recognised on the Consolidated Balance sheet, along with the related 'right-of-use' (ROU) asset.
2. In the Consolidated Statement of profit and loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on ROU assets on a straight line basis).
3. In the Consolidated Statement of cash flows, net operating cash flows is expected to increase, with a corresponding increase in financing cash outflows. Earlier the group presented cash outflows on former off Balance Sheet leases as operating activities. In contrast, on applying Ind AS 116, principal repayments on all lease liabilities are included within financing activities along with interest.

The adoption of Ind AS 116 will require the Group to make a number of judgements, estimates and assumptions. The Group is evaluating the impact of the standard on the financial position, results of operation and cashflow.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

The management is in process of evaluating the the impact of the amendment on the financial position. The Group will adopt the amendment from 1st April, 2019.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendment to Ind-AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. This interpretation is effective for annual periods beginning on or after 1st April, 2019. The Group is in process of evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. This interpretation is effective for annual periods beginning on or after 1st April, 2019. The Group is evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant. The Group will adopt the amendment from 1st April, 2019.

Long-term Interests in Associates and Joint Ventures, Amendments to Ind AS 28

On 30th March, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 which notified amendment to Ind AS 28, Investments in Associates and Joint Ventures.

The amendments clarify the accounting for long-term interests in an associate or joint venture, which in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. Entities must account for such interests under Ind AS 109, Financial Instruments before applying the loss allocation and impairment requirements in Ind AS 28 Investments in Associates and Joint Ventures.

The interpretation is effective for annual periods beginning on or after 1st April, 2019.

The Group is evaluating the impact of the amendment on the financial position, results of operation and cashflow.

Annual Improvements to Ind AS

Ind AS 23, “Borrowing Cost”- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 103, “Business Combination”- clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The acquirer should re-measure its previously held interest in the joint operation at fair value at the acquisition date.

Ind AS 111, “Joint arrangements”- clarified that the party obtaining joint control of a business that is a joint operation should not measure its previously held interest in joint operation.

Ind AS 12, “Income Taxes”- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

These interpretations are effective for annual periods beginning on or after 1st April, 2019. The Group is evaluating the impact of the amendment on the financial position. The Group will adopt the amendment from 1st April, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

5. Property, Plant and Equipment (own, unless otherwise stated)

₹ in Lakhs

Particulars	Freehold Land	Leasehold Land	Leasehold Improvements	Buildings *	Plant and Equipment (Owned) $	Plant and Equipment (Given On Operating Lease)	Furniture and Fix-tures	Vehicles	Office Equip-ments	Data Processing Equip-ments (Owned)	Data Pro-cessing Equipments (On Lease)	Shipping Vessels	Total
Cost or Deemed cost													
Balance as at 31st Mar., 2017	***353.83***	***44.02***	-	***9,468.55***	***8,682.46***	***1,791.69***	***1,251.80***	***2,656.65***	***913.51***	***1,806.65***	***355.88***	***34,642.92***	***61,967.96***
Additions	-	-	-	*74.69*	*1,781.74*	*271.48*	*1,106.35*	*925.43*	*131.71*	*184.21*	*6.09*	*9,695.73*	*14,177.43*
Effect of foreign currency exchange difference	-	-	-	*(133.56)*	*(47.87)*	-	*191.69*	-	-	-	-	-	*10.26*
Reclassification	-	-	-	-	*(18.32)*	-	*18.32*	-	-	-	-	-	-
Disposals	-	*(1.87)*	-	*(9.92)*	*(81.09)*	*(1,317.88)*	*(310.71)*	*(739.48)*	*(21.70)*	*(89.15)*	-	-	*(2,571.80)*
Transferred to Investment Properties (refer Note 6)	-	-	-	*(67.76)*	-	-	-	-	-	-	-	-	*(67.76)*
Balance as at 31st Mar., 2018	**353.83**	**42.15**	-	**9,332.00**	**10,316.92**	**745.29**	**2,257.45**	**2,842.60**	**1,023.52**	**1,901.71**	**361.97**	**44,338.65**	**73,516.09**
Additions	-	-	-	24.04	1,267.42	6.79	451.02	878.75	60.37	147.64	3.03	412.53	3,251.59
Additions on account of business combination (Refer Note 67)	-	-	1.36	-	184.07	-	4.18	-	0.07	0.21	-	-	189.89
Effect of foreign currency exchange difference	-	-	-	55.58	-	-	158.95	-	-	-	-	-	214.53
Disposals	-	-	-	(232.03)	(396.60)	(355.78)	(1,139.39)	(889.52)	(61.19)	(84.34)	-	-	(3,158.85)
Deletion on account of disposal of subsidiary (Refer Note 66)	-	-	-	-	(135.41)	-	(20.42)	-	-	(1.31)	-	-	(157.14)
Balance as at 31st Mar., 2019	**353.83**	**42.15**	**1.36**	**9,179.59**	**11,236.40**	**396.30**	**1,711.79**	**2,831.83**	**1,022.77**	**1,963.91**	**365.00**	**44,751.18**	**73,856.11**
Accumulated depreciation and Impairment													
Balance as at 31st Mar., 2017	-	*1.26*	-	*721.91*	*1,536.57*	*1,170.26*	*360.22*	*443.30*	*356.03*	*775.89*	*104.43*	*4,346.08*	*9,815.95*
Depreciation expense	-	*0.50*	-	*549.21*	*1,312.84*	*320.97*	*73.40*	*774.00*	*261.10*	*372.16*	*73.69*	*2,226.38*	*5,964.25*
Disposals	-	-	-	*(9.16)*	*(15.59)*	*(1,317.54)*	*(180.90)*	*(578.76)*	*(18.83)*	*(84.82)*	-	-	*(2,205.60)*
Transferred to Investment Properties (refer Note 6)	-	-	-	*(35.65)*	-	-	-	-	-	-	-	-	*(35.65)*
Effect of foreign currency exchange difference	-	-	-	*(117.09)*	*(13.44)*	-	-	-	-	-	-	-	*(130.53)*
Reclassification	-	-	-	-	*(0.76)*	-	*0.76*	-	-	-	-	-	-
Balance as at 31st Mar., 2018	**-**	**1.76**	**-**	**1,109.22**	**2,819.62**	**173.69**	**253.48**	**638.54**	**598.30**	**1,063.23**	**178.12**	**6,572.46**	**13,408.42**
Depreciation expense	-	0.12	1.36	466.72	1,122.33	49.90	358.59	775.69	228.80	374.39	47.63	3,107.10	6,532.63
Disposals	-	-	-	(192.43)	(352.57)	-	(4.24)	(703.45)	(57.19)	(76.54)	-	-	(1,386.42)
Deletion on account of disposal of subsidiary (Refer Note 66)	-	-	-	-	(96.99)	-	(7.81)	-	-	(0.94)	-	-	(105.74)
Effect of foreign currency exchange difference	-	-	-	32.21	-	-	100.14	-	-	-	-	-	132.35
Balance as at 31st Mar., 2019	**-**	**1.88**	**1.36**	**1,415.72**	**3,492.39**	**223.59**	**700.16**	**710.78**	**769.91**	**1,360.14**	**225.75**	**9,679.56**	**18,581.24**
Carrying Amount													
Balance as at 31st Mar., 2019	**353.83**	**40.27**	**-**	**7,763.87**	**7,744.01**	**172.71**	**1,011.63**	**2,121.05**	**252.86**	**603.77**	**139.25**	**35,071.62**	**55,274.87**
Balance as at 31st Mar., 2018	*353.83*	*40.39*	-	*8,222.78*	*7,497.30*	*571.60*	*2,003.97*	*2,204.06*	*425.22*	*838.48*	*183.85*	*37,766.19*	*60,107.67*

Footnotes:

1 Plant and equipment (Owned) include jointly owned assets having carrying value of ₹ 1.27 Lakhs (*Previous Year ₹ 2.22 Lakhs*).

2 Refer Note 65 for assets pledged as security against borrowings.

*Includes a property for which co-operative society is yet to be formed.
$ Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

6. Investment Properties (Own, unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Completed investment properties	**2,564.89**	*2,547.91*
Total	**2,564.89**	*2,547.91*

Cost or Deemed Cost ₹ in Lakhs

Balance as at 1st Apr., 2018/1st Apr., 2017	**2,771.00**	*2,635.75*
Additions	**84.85**	*69.66*
Transferred from Property, Plant and Equipment (refer Note 5)	**-**	*67.76*
Property classified as held for sale	**(4.85)**	*(2.17)*
Balance as at 31st Mar., 2019/31st Mar., 2018	**2,851.00**	*2,771.00*

Accumulated depreciation and impairment ₹ in Lakhs

Balance as at 1st Apr., 2018/1st Apr., 2017	**223.09**	*125.23*
Depreciation expense	**63.45**	*62.40*
Transferred from Property, Plant and Equipment (refer Note 5)	**-**	*35.65*
Property classified as held for sale	**(0.43)**	*(0.19)*
Balance as at 31st Mar., 2019/31st Mar., 2018	**286.11**	*223.09*

Carrying amount ₹ in Lakhs

Balance as at 31st Mar., 2019/31st Mar., 2018	**2,564.89**	*2,547.91*

Notes:

a. Investment properties (Cost) include: (i) Premises on freehold land where the Group is yet to be registered as the owner of a proportionate share in the land ₹ 17.26 Lakhs (*Previous Year ₹ 17.77 Lakhs)*; (ii) Jointly owned Residential Premises including land aggregating to ₹ 1,552.01 Lakhs (*Previous Year ₹ 1,552.17 Lakhs*); (iii) Shares in Co-operative Housing Societies, Association of apartment owners and in a Company ₹ 0.17 Lakh (*Previous Year ₹ 0.17 Lakh*).

b. Refer Note 65 for assets pledged as security against borrowings.

c. Investment properties includes the lease rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 385.82 Lakhs (*Previous year ₹ 424.41 Lakhs*) of which ₹ 60.21 Lakhs (*Previous year ₹ 66.23 Lakhs*) has been disclosed under property, plant and equipment (Refer Note 5) for which the Company has made an application for renewal of lease and approval from authorities awaited thereon.

d. Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31st Mar., 2019 and *31st Mar., 2018* have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi and Yardi Prabhu, independent valuers not related to the Company. V.S. Modi and Yardi Prabhu are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Group's investment properties and information about the fair value hierarchy as at 31st Mar., 2019 and *31st Mar., 2018* are as follows:

₹ in Lakhs

	Level 3	
Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Andhra Pradesh - Land	**28.51**	*27.45*
Delhi - Building	**1,081.68**	*1,021.03*
Gujarat - Land and Building	**515.24**	*492.97*
Kerala - Building	**830.98**	*827.81*
Maharashtra - Land and Building	**64,811.50**	*63,708.92*
Tamil Nadu - Land and Building	**295.36**	*290.00*
West Bengal - Building	**672.97**	*642.84*
Office Units located in Pune	**162.00**	*155.00*
Karnataka - Building	**160.00**	*155.00*
Total	**68,558.24**	*67,321.02*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

7. Goodwill

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Cost (or deemed cost)	**55,595.53**	*53,497.69*
Accumulated impairment losses	**5,755.50**	*5,755.50*
Total	**49,840.03**	*47,742.19*

Cost or Deemed Cost	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance at beginning of year	**53,497.69**	*49,516.10*
Additional amounts recognised from business combinations (refer Note 54)	**9.67**	*889.59*
Effect of foreign currency exchange differences (refer Note 54)	**2,088.17**	*3,092.00*
Balance at end of year	**55,595.53**	*53,497.69*

Accumulated depreciation and impairment	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance at beginning of year	**5,755.50**	*5,581.09*
Impairment losses recognised in the year (refer Note 54)	**-**	*174.41*
Balance at end of year	**5,755.50**	*5,755.50*

8 Other Intangible assets

₹ in Lakhs

Particulars	Technical Knowhow	Product Development Expenditure	Brands/ Trade Marks	Computer Software (Acquired)	Computer Software (Internally Generated)	Other Intangible Assets	Total
Cost or Deemed cost							
Balance as at 31st Mar., 2017	*60.00*	*3,099.96*	*399.89*	*815.06*	*2,771.04*	*111.18*	*7,257.13*
Additions	-	*110.67*	-	*106.94*	-	*2.29*	*219.90*
Disposal	-	*(185.46)*	-	-	-	-	*(185.46)*
Effect of foreign currency exchange difference	-	*(314.58)*	-	-	-	*1.08*	*(313.50)*
Balance as at 31st Mar., 2018	**60.00**	**2,710.59**	**399.89**	**922.00**	**2,771.04**	**114.55**	**6,978.07**
Additions	-	568.97	-	262.78	2,305.45	3.18	3,140.38
Disposal	-	(0.79)	-	-	-	-	(0.79)
Effect of foreign currency exchange difference	-	701.16	-	-	-	19.03	720.19
Balance as at 31st Mar., 2019	**60.00**	**3,979.93**	**399.89**	**1,184.78**	**5,076.49**	**136.76**	**10,837.85**
Accumulated depreciation and Impairment							
Balance as at 31st Mar., 2017	*10.16*	*1,173.64*	*325.80*	*336.17*	*384.15*	*57.79*	*2,287.71*
Depreciation expense	*9.97*	*640.32*	*74.09*	*211.31*	*542.33*	*26.68*	*1,504.70*
Disposal	-	*(4.58)*	-	-	-	-	*(4.58)*
Effect of foreign currency exchange difference	-	*(348.85)*	-	-	-	*(3.59)*	*(352.44)*
Balance as at 31st Mar., 2018	**20.13**	**1,460.53**	**399.89**	**547.48**	**926.48**	**80.88**	**3,435.39**
Depreciation expense	7.97	298.80	-	231.87	547.70	23.42	1,109.76
Disposal	-	-	-	-	-	-	-
Effect of foreign currency exchange difference	-	602.12	-	-	-	20.30	622.42
Balance as at 31st Mar., 2019	**28.10**	**2,361.45**	**399.89**	**779.35**	**1,474.18**	**124.60**	**5,167.57**
Carrying Amount							
Balance as at 31st Mar., 2019	**31.90**	**1,618.48**	**-**	**405.43**	**3,602.31**	**12.16**	**5,670.28**
Balance as at 31st Mar., 2018	*39.87*	*1,250.06*	-	*374.52*	*1,844.56*	*33.67*	*3,542.68*

Note:

a. Refer Note 65 for assets pledged as security against borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

9. Non Current Investments

9A. Investments in associates

₹ in Lakhs

Particulars	As at 31st Mar., 2019 Qty	As at 31st Mar., 2019 Amount	*As at 31st Mar., 2018 Qty*	*As at 31st Mar., 2018 Amount*
Unquoted Investments (all fully paid)				
1. Equity Shares of THB 100 each in Euro P2P Direct (Thailand) Co. Limited	**19,596**	**26.68**	*19,596*	*26.68*
Provision for impairment		**(26.68)**		*(26.68)*
		-		-
2. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	**58,849**	**5.88**	*58,849*	*5.88*
Provision for impairment		**(5.88)**		*(5.88)*
		-		-
TOTAL INVESTMENTS		-		-

9B. Investments in joint ventures

₹ in Lakhs

Particulars	As at 31st Mar., 2019 Qty	As at 31st Mar., 2019 Amount	*As at 31st Mar., 2018 Qty*	*As at 31st Mar., 2018 Amount*
Unquoted Investments (all fully paid)				
Equity instrument (at cost less impairment)				
1. Equity shares of ₹ 10 each in Forbes Bumi Armada Limited	**28,05,000**	**280.56**	*28,05,000*	*280.56*
Post acquisition share in profits		**371.12**		*257.12*
		651.68		*537.68*
2. Equity shares of ₹ 10 each fully paid up in Forbes Aquatech Limited	**5,00,000**	**50.00**	*5,00,000*	*50.00*
Post acquisition share in profits		**772.03**		*663.37*
		822.03		*713.37*
3. Equity shares of ₹ 10 each fully paid up in Forbes Concept Hospitality Services Private Limited	**26,25,000**	**262.50**	*26,25,000*	*262.50*
Post acquisition share in (Losses)		**(256.17)**		*(255.81)*
		6.33		*6.69*
4. Equity shares of ₹ 10 each fully paid up in Infinite Water Solutions Private Limited	**35,00,000**	**350.00**	*35,00,000*	*350.00*
Post acquisition share in profits		**1,874.50**		*1,590.07*
		2,224.50		*1,940.07*
5. Equity shares of ₹ 10 each fully paid up in Aquaignis Technologies Private Limited (refer Note 5 below)	-	**292.79**	*29,27,867*	*292.79*
Post acquisition share in (Losses)		-		*(100.53)*
Adjustment on conversion from Joint venture to Subsidiary		**(292.79)**		-
		-		*192.26*
6. Equity shares of ₹ 10 each fully paid up in Forbes G4S Solutions Private Limited (refer Note 6 below)	-	-	*5,000*	*0.50*
Post acquisition share in (Losses)		-		*(0.50)*
		-		-
7. Equity shares of Rand 1 each in AMC Cookware (Proprietary) Limited	**5,000**	- *	*5,000*	- *
Post acquisition share in profits		**4,145.66**		*4,286.66*
		4,145.66		*4,286.66*
TOTAL INVESTMENTS		**7,850.20**		*7,676.73*

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

9C. Other investments

₹ in Lakhs

Particulars	As at 31st Mar., 2019 Qty	As at 31st Mar., 2019 Amount		*As at 31st Mar., 2018 Qty*	*As at 31st Mar., 2018 Amount*	
Quoted Investments (all fully paid)						
Investments in Equity Instruments - measured at FVOCI						
Equity shares of ₹ 10 each fully paid up in Reliance Power Limited	**8,913**	**-**		*8,913*	*3.22*	
		-			*3.22*	
Unquoted Investments (all fully paid)						
Investments in Equity Instruments - measured at FVOCI						
Equity shares of ₹ 1 each fully paid up in Idea Bubbles Consulting Services Private Limited	**17,822**	**218.50**		*14,650*	*267.65*	
Equity shares of ₹ 10 each fully paid up in Water Quality Association (refer Note 2 below)	**7,143**	**0.71**		*7,143*	*0.71*	
		219.21			*268.36*	
Investments in Preference Units- measured at FVOCI						
Series C Preferred Units of USD 0.15 each in Econopure Water Systems LLC	**16,66,667**	**-**	*	*16,66,667*	*-*	*
		-			*-*	
Investments in Debentures - measured at FVTPL						
Compulsorily Convertible Debentures of ₹ 100 each fully paid up in Idea Bubble Consulting Services Pvt Ltd	**40,000**	**-**		*40,000*	*57.81*	
		-			*57.81*	
Investments in Equity Instruments - measured at FVTPL						
Equity shares of ₹ 10 each in New India Co-operative Bank Limited	**5,500**	**0.55**		*5,500*	*0.55*	
Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [Provision for impairment in value ₹ 0.05 Lakhs; *(Previous Year ₹ 0.05 Lakhs)*]	**10**	**-**	*	*10*	*-*	*
Equity shares of ₹ 10 each fully paid up in Forbes G4S Solutions Private Limited [Provision for impairment in value ₹ 0.50 Lakhs; *(Previous Year ₹ Nil)*]	**5,000**	**-**		-	-	
Equity Shares of ₹ 10 each in Simar Port Private Limited	**1,000**	**0.10**		*1,000*	*0.10*	
Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited. [Provision for impairment in value ₹ 285.26 Lakhs *(Previous Year ₹ 285.26 Lakhs)*] (refer Note 57)	**17,69,430**	**-**	*	*17,69,430*	*-*	*
Equity Share of SGD 1 each in Forbes Container Lines Pte. Limited [Provision for impairment in value ₹ 271.26 Lakhs *(Previous year ₹ 271.26 Lakhs)*] (refer Note 1 below)	**8,64,960**	**-**	*	*8,64,960*	*-*	*
Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	**100**	**0.03**		-	-	
Equity shares of USD 1 each in Edumetry Inc. USA [Provision for impairment in value ₹ 35.48 Lakhs *(Previous Year ₹ 35.48 Lakhs)*] (refer Note 3 below)	**2,500**	**-**	*	*2,500*	*-*	*
		0.68			*0.65*	
Investments in Equity Instruments (at amortised cost)						
Equity shares of ₹ 10 each in Carmel Properties Private Limited. (refer Note 4 below)	**1,125**	**0.03**		*1,125*	*0.03*	
		0.03			*0.03*	
Investment in Debentures (at amortised cost)						
Irredeemable debentures of ₹ 100 each in Carmel Properties Private Limited (refer Note 4 below)	**3,089**	**3.89**		*3,089*	*3.89*	
		3.89			*3.89*	
TOTAL INVESTMENTS		**223.81**			*333.96*	

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Notes:

1. Forbes Container Lines Pte. Limited., Singapore ("FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. As on 31st March, 2017, Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements.

2. The Group has invested in 7,143 shares of face value ₹ 10 each in Water Quality Association which is a non profit making organisation hence the fair value of this investment has been considered similar to its carrying value.

3. Edumetry Inc., USA , a foreign joint venture of the Group has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Group does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements.

4. The market value of Carmel Properties, a residential flat at Mumbai, as at 31st March, 2019 is ₹ 1,050.93 Lakhs, (*Previous Year ₹ 1,042.65 Lakhs*) as per valuation report issued by V. S. Modi Associates, Chartered Engineers, Government Approved Valuers, Mumbai.

5. Aquaignis Technologies Private Limited (erstwhile joint venture) has become a subsidiary during the year w.e.f 13th June, 2018.

6. Effective holding in Forbes G4S Solution Private Limited has been reduced from 50% to 10.87% during the year w.e.f 18th May, 2018.

9D. Current Investments

₹ in Lakhs

Particulars	As at 31st Mar., 2019		*As at 31st Mar., 2018*	
	Qty	**Amount**	*Qty*	*Amount*
<u>Quoted Investments (all fully paid)</u>				
Investments in Equity Instruments at FVTPL				
Equity shares of ₹ 10 each fully paid up in Bajaj Holding and Investment Limited	**100**	-	*100*	*2.66*
Equity shares of ₹ 10 each fully paid up in MOIL Limited	**7,570**	-	*3,785*	*14.82*
		-		*17.48*
<u>Unquoted Investments (all fully paid)</u>				
Investments in Mutual Funds at FVTPL				
Units shares of ₹ 10/- fully paid up in Reliance Vision Fund Growth Plan Growth Option	**357.856**	**1.88**	*357.856*	*1.91*
TOTAL INVESTMENTS		**1.88**		*19.39*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

9E. Category-wise investments – as per Ind AS 109 classification

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Financial assets carried at fair value through Other Comprehensive Income (FVOCI)		
Equity Instruments	**219.21**	*271.58*
Preference units	-	-
	219.21	*271.58*
Financial assets carried at fair value through profit or loss (FVTPL)		
Equity Instruments	**0.68**	*18.13*
Mutual Funds	**1.88**	*1.91*
Debentures	-	*57.81*
	2.56	*77.85*
Financial assets carried at amortised cost		
Debentures	**3.89**	*3.89*
Equity Instruments	**0.03**	*0.03*
	3.92	*3.92*
Financial assets carried at cost less impairment		
Equity Instruments	**7,850.20**	*7,676.73*
	7,850.20	*7,676.73*
Total	**8,075.89**	*8,030.08*

Footnotes:

Aggregate amount of quoted non current investments (net of impairment) and market value thereof	-	*3.22*
Aggregate amount of unquoted non current investments (net of impairment) and market value thereof	**8,074.01**	*8,007.47*
Aggregate amount of quoted current investments (net of impairment)	-	*17.48*
Aggregate amount of unquoted current investments (net of impairment)	**1.88**	*1.91*
Aggregate amount of impairment in value of investments	**625.11**	*624.61*

10. Trade receivables

10A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Trade receivables		
a) Unsecured, considered good	**5,300.43**	*4,384.13*
b) Doubtful	**17,347.12**	*16,047.51*
	22,647.55	*20,431.64*
Allowance for doubtful debts (expected credit loss allowance)	**17,347.12**	*16,047.51*
Total	**5,300.43**	*4,384.13*

10B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Trade receivables		
a) Secured, considered good	**16.50**	*37.98*
b) Unsecured, considered good	**46,494.35**	*42,064.27*
c) Doubtful	**2,768.58**	*3,839.79*
	49,279.43	*45,942.04*
Allowance for doubtful debts (expected credit loss allowance)	**2,768.58**	*3,839.79*
Total	**46,510.85**	*42,102.25*

Refer Note 65 for assets pledged as security against borrowings.

Debts due by private companies in which a director is a director / member (₹ in Lakhs) (refer Note 47)	**785.78**	*256.47*
Less : Allowance for doubtful debts (expected credit loss allowance)	**10.18**	*10.18*
Net Debts	**775.60**	*246.29*

The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on provision matrix which uses historical credit loss experience of the Group. Forward looking information has been incorporated into the determination of expected credit losses.

The Group has written off / provided for receivable where non-recoverability is established. Group believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour.

In shipping business, historical credit loss experience has been considered and in past, no credit loss is suffered. In future, there will be no expected credit loss as vessels are under pool agreement.

There are no customers who represents more than 5% of the total balance of trade receivables.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

The ageing of receivables and movement in expected credit loss allowance is as follows:

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
0-1 Year	**49,095.66**	*38,510.86*
More than 1 Year	**2,715.62**	*7,975.52*
	51,811.28	*46,486.38*

Movement in expected credit allowance

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance at beginning of the year	**19,887.30**	*19,600.41*
Impairment losses recognised on receivables (including impact of foreign currency fluctuations)	**344.83**	*374.94*
Amounts written off during the year as uncollectible	**(38.38)**	*(0.95)*
Amounts recovered during the year	**(78.05)**	*(87.10)*
Balance at end of the year	**20,115.70**	*19,887.30*

11. Loans

11A. Non Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
a) Security deposits		
- Unsecured, considered good	**2,489.65**	*2,450.72*
- Unsecured, considered doubtful	**9.80**	*9.80*
Less : Allowance for bad and doubtful deposits	**9.80**	*9.80*
	2,489.65	*2,450.72*
b) Loans to others		
- Secured, considered doubtful	**4,756.77**	*4,391.78*
- Unsecured, considered good	**836.77**	*854.24*
- Unsecured, considered doubtful	**3,750.47**	*3,407.82*
Less : Allowance for bad and doubtful loans	**8,507.24**	*7,799.60*
	836.77	*854.24*
Total	**3,326.42**	*3,304.96*

11B. Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
a) Loans and advances to employees		
- Unsecured, considered good	**44.41**	*69.58*
- Unsecured, considered doubtful	**3.13**	*2.88*
Less : Allowance for doubtful loans and advances	**3.13**	*2.88*
	44.41	*69.58*
b) Security deposits		
- Secured, considered good	-	-
- Unsecured, considered good (refer Note 1 below)	**271.79**	*351.45*
	271.79	*351.45*
c) Loans to others		
- Unsecured, considered good	**12.64**	*25.53*
- Unsecured, considered doubtful	**375.00**	*375.00*
Less : Allowance for bad and doubtful loans	**375.00**	*375.00*
	12.64	*25.53*
Total	**328.84**	*446.56*

Note

1 Security deposit includes deposit given to Marida Tankers Inc and Stainless Tanker Inc (the pool) in the form of bunker as well as deposit and in USD provided by a subsidiary, on its four vessels at the time of their entry in the Marida Tankers Inc pool and on its one vessels at time of entry in the Stainless Tankers Inc towards working capital funds for vessels operation.

11C. Movement in the allowance for bad and doubtful loans

	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Balance at beginning of the year	**8,187.28**	*8,163.60*
Impairment losses recognised on receivables (including impact of foreign currency fluctuations)	**707.89**	*23.68*
Balance at end of the year	**8,895.17**	*8,187.28*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

12. Other financial assets

12A. Non current

(unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Interest accrued on deposits with bank	**0.37**	*0.05*
b) Bank deposits with more than 12 months maturity	**56.53**	*19.47*
c) Balance held with banks as margin money deposits with remaining maturity of more than 12 months (refer Note below)	**3,397.23**	*1,475.64*
Total	**3,454.13**	*1,495.16*

Note:

₹ 1,960.10 Lakhs (*Previous Year ₹ 1,243.57 Lakhs*) is deposited with Axis Bank (Dubai) under Debt Service Reserve to be maintained as part of loan agreement which has been marked under lien with bank.

12B. Current

(unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Interest accrued on deposits with bank	**20.36**	*9.96*
b) Contractually reimbursable expenses from related parties	**78.83**	*278.62*
c) Other current receivables *	**944.04**	*1,710.04*
d) Earnest Money Deposits	**89.47**	*114.20*
e) Unbilled Revenue	**-**	*4,614.53*
Total	**1,132.70**	*6,727.35*

* Other current receivables includes the insurance claim receivable from the insurance company towards vessel break down repair cost.

13. Inventories

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Inventories (lower of cost and net realisable value)		
Raw materials and Components [(includes in transit ₹ 1,336.37 Lakhs *(Previous Year ₹ 341.30 Lakhs)*]	**6,926.86**	*5,649.77*
Work-in-progress	**788.97**	*569.40*
Finished goods [(includes in transit ₹ 399.15 Lakhs *(Previous Year ₹ 282.59 Lakhs)*]	**8,226.07**	*6,945.55*
Stock-in-trade [(includes in transit ₹ 1,216.36 Lakhs *(Previous Year ₹ 1,168.95 Lakhs)*]	**10,873.96**	*15,526.70*
Spares and accessories [(includes in transit ₹ 543.51 Lakhs *(Previous Year ₹ 659.26 Lakhs)*]	**8,296.51**	*9,110.34*
Stores and spares	**236.64**	*222.65*
Real estate development work-in-progress (refer Note 64)	**24,304.31**	*5,586.14*
Total	**59,653.32**	*43,610.55*

The cost of inventories recognised as an expense includes ₹ 27.15 Lakhs (*Previous Year ₹ 78.11 Lakhs*) in respect of write back/write-downs of inventory to net realisable value respectively.

Refer Note 65 for assets pledged as security against borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

14.

14A. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balances with Banks		
a) In current accounts	**5,838.64**	*12,615.01*
b) In EEFC Account [USD 16,268.49; *(Previous year USD 93,213.74)* and EURO 5,765.76 *(Previous year EURO Nil)*]	**15.79**	*60.54*
c) Deposits accounts (with original maturity upto 3 months)	**44.00**	*5.00*
	5,898.43	*12,680.55*
Cheques, drafts on hand	**929.87**	*882.51*
Cash on hand	**227.70**	*136.64*
	1,157.57	*1,019.15*
Total	**7,056.00**	*13,699.70*

14B. Bank balances

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) In deposit accounts with original maturity of more than 3 months but less than 12 months #	**101.95**	*159.89*
b) In deposit accounts with original maturity of more than 12 months ** #	**103.02**	*146.09*
c) Balances held as margin money / under lien with remaining maturity of less than 12 months	**211.00**	*119.08*
d) Earmarked balance with the banks:		
- Unpaid dividends	**17.28**	*-**
Total	**433.25**	*425.06*

* Amount is below the rounding off norm adopted by Group.

** Includes deposits pledged as security against borrowings.

Includes deposits lodged as security with government authorities.

Refer Note 65 for assets pledged as security against borrowings

15. Other assets

15A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Capital Advances	**867.41**	*337.28*
b) Prepaid expenses	**136.72**	*133.28*
c) Prepaid Leasehold Assets	**23.44**	*23.60*
d) Advances for supply of goods and services		
- Unsecured, considered good	**2,288.04**	*449.53*
e) Balances with statutory / government authorities		
-Unsecured, considered good	**2,702.94**	*2,767.88*
-Unsecured, considered doubtful	**98.49**	*46.69*
Less : Allowance for doubtful balances	**98.49**	*46.69*
	2,702.94	*2,767.88*
f) Advance wealth tax	**408.29**	*408.29*
Total	**6,426.84**	*4,119.86*

15B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Advances to related parties	**0.04**	*0.63*
b) Advances for supply of goods and services		
-Unsecured, considered good	**4,667.41**	*8,275.64*
-Unsecured, considered doubtful	**1,619.34**	*126.18*
Less : Allowance for doubtful advances	**1,619.34**	*126.18*
	4,667.41	*8,275.64*
c) Contract assets	**534.85**	*-*
d) Other Advances	**34.79**	*30.67*
e) Prepaid expenses	**1,752.86**	*1,464.38*
f) Prepaid lease hold assets	**0.17**	*0.46*
g) Balances with statutory / government authorities	**4,150.78**	*5,069.28*
h) Export incentives receivables	**117.24**	*101.40*
i) Advances to employees	**7.02**	*17.86*
j) Right to recover returned goods (refer Note 1 below)	**85.05**	*-*
Total	**11,350.21**	*14,960.32*

Notes:

1 A return right gives the Group a contractual right to recover the goods from a customer (return assets) if the customer exercises his right to return the goods and the right to recover returned goods is accounted for the products that are expected to be returned.

2 Refer Note 65 for assets pledged as security against borrowings.

16. Asset classified as held for sale

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Investment Properties (refer Note (i) below)	**4.42**	*1.98*
Total	**4.42**	*1.98*

Note:

(i) The Group has entered into an agreement for sale of a flat and accordingly the carrying value aggregating ₹ 4.42 Lakhs (*Previous Year ₹ 1.98 Lakhs*) of the asset has been shown as "Asset classified as held for sale" on the face of Balance Sheet. The fair value of the said asset is ₹ 211.00 lakhs (*Previous Year ₹ 130.00 Lakhs*).

17. Equity Share Capital

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Authorised Share capital :		
1,50,00,000 fully paid equity shares of ₹ 10 each	**1,500.00**	*1,500.00*
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each (*Previous year 1,28,98,616*)	**1,289.86**	*1,289.86*
	1,289.86	*1,289.86*

17.1 Fully paid equity shares

Particulars	Number of shares	Share Capital ₹ in Lakhs
Balance as at the year end	**1,28,98,616**	**1,289.86**

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing 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.

17.2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares As at 31st Mar., 2019	*As at 31st Mar., 2018*
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*
Total	**93,59,293**	*93,59,293*

17.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2019 Number of shares held	% holding in the class of shares
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**
India Discovery Fund Limited	**11,48,255**	**8.90**
Total	**1,05,07,548**	**81.46**

	As at 31st Mar., 2018 Number of shares held	*% holding in the class of shares*
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	*93,59,293*	*72.56*
India Discovery Fund Limited	*11,48,255*	*8.90*
Total	*1,05,07,548*	*81.46*

17.4 The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

18. Other equity

₹ in Lakhs

	Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a)	**Capital reserve**		
	Balance at beginning of the year	**158.25**	*188.25*
	Less: Utilised on sale of related capital assets	**-**	*(30.00)*
	Balance as at the year end	**158.25**	*158.25*
b)	**Capital contribution reserve**		
	Balance as at the year end	**493.54**	*493.54*
c)	**Securities premium reserve**		
	Balance as at the year end	**161.76**	*161.76*
d)	**Tonnage tax reserve**		
	Balance at beginning of the year	**-**	*221.13*
	Add: Transferred from/ to retained earnings	**-**	*(221.13)*
	Balance as at the year end	**-**	*-*
e)	**Debenture redemption reserve**		
	Balance as at the year end	**2,500.00**	*2,500.00*
f)	**General reserve**		
	Balance as at the year end	**42,594.28**	*42,594.28*
g)	**Foreign currency translation reserve**		
	Balance at beginning of year	**4,058.51**	*1,323.22*
	Exchange differences in translating the financial statements of foreign operations	**391.43**	*2,735.29*
	Balance as at the year end	**4,449.94**	*4,058.51*
h)	**Capital reserve for bargain purchase business combinations**		
	Balance as at the year end	**1,221.43**	*1,221.43*
i)	**Capital reserve on Merger***		
	Balance as at the year end	**-**	*-*
j)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	**(23.10)**	*(13.65)*
	Cumulative gain/(loss) reclassified to retained earning for Equity Instruments through OCI	**(5.74)**	*(55.06)*
	Fair value gain on investments in equity instruments at FVOCI (net of tax)	**(52.54)**	*45.61*
	Balance as at the year end	**(81.38)**	*(23.10)*
k)	**Retained earnings**		
	Balance at beginning of year (as originally presented)	**(21,735.47)**	*(19,446.93)*
	Change in accounting policy (refer Note 64)	**(5,161.67)**	*-*
	Restated Balance	**(26,897.14)**	*(19,446.93)*
	Exchange difference on translation of foreign operations arising during the year	**(475.91)**	*(109.14)*
	Other Adjustment on account change in controlling interest	**8.85**	*(82.43)*
	Adjustment on conversion of Joint Venture into Subsidiary	**(193.82)**	*-*
	Cumulative gain/(loss) reclassified to reserves for Equity Instruments through OCI	**5.74**	*55.06*
	Profit/(Loss) attributable to owners of the Company	**696.43**	*(1,944.27)*
	Other comprehensive income (net of tax)	**(45.46)**	*(25.25)*
	Expenses related to issue of shares by a subsidiary	**-**	*(9.50)*
	Payment of dividends on equity shares	**(318.31)**	*(318.31)*
	Tax on dividends	**(66.28)**	*(75.83)*
	Transferred from/(to) Tonnage Tax Reserve	**-**	*221.13*
	Balance as at the year end	**(27,285.90)**	*(21,735.47)*
l)	**Equity Component of Preference Shares**		
	Balance as at the year end	**894.42**	*894.42*
m)	**Treasury Shares**		
	Balance as at the year end (1,66,398 equity shares of parent company held by a subsidiary)	**(32.55)**	*(32.55)*
	Total	**25,073.79**	*30,291.07*

* Amount is below the rounding off norm adopted by Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Description of nature and purpose of reserves

(i) Capital reserve

The Group recognises profit or loss on purchase, sale, issue or cancellation of Group's own equity instruments to capital reserve. Grants received from the Government in the nature of promoter's contribution towards fixed capital investment are recognised as capital reserve and treated as part of total equity. During the previous year, a subsidiary has sold assets of Bhimtal Plant and utilised related Capital reserve of ₹ 30.00 Lakhs.

(ii) Capital contribution reserve

Capital contribution reserve represents the difference of value on account of foreign currency conversion on account of capital contribution as per local laws of foreign entity and treated as part of total equity.

(iii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(iv) Tonnage tax reserve

The Group has opted for computation of its income from shipping activities under the tonnage tax scheme for taxation purpose. As per the scheme, the Group is required to transfer not less than 20% of its book profit derived from the activities referred to in clauses (i) and (ii) of sub-section (1) of section 115V-I in each previous year to the Tonnage Tax Reserve Account to be utilised in the manner laid down in sub-section (3) of section 115VT of the Income Tax Act, 1961.

As required under section 115 VT and sub-section (3) of Income Tax Act, 1961, the amount credited to Tonnage Tax Reserve Account under sub-section (1) shall be utilised by the Group before the expiry of a period of eight years following the previous year in which the amount was credited. Group had utilised the amount kept under Tonnage Tax Reserve Account by way of acquisition of Ship and thus the reserve amounting to ₹ Nil Lakhs *(Previous Year ₹ 221.13 Lakhs)* has been transferred from Tonnage Tax Reserve to Retained Earnings.

(v) Debenture redemption reserve

The Group has issued Redeemable Non-convertible Debentures. Accordingly, the Companies (Share Capital and Debenture) Rules, 2014 (as amended), requires the Group to create Debenture redemption reserve out of profits of the Group available for payment of dividend for an amount equal to 25% of the value of debentures issued, which has been accordingly reflected above.

(vi) General reserve

The Group created a General Reserve in earlier years pursuant to the provision of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividend. As per Companies Act, 2013 the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Group.

(vii) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of Group's foreign operations from their functional currencies to the Group's presentation currency (i.e.₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gain and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of foreign operations.

(viii) Capital reserve for bargain purchase business combinations

The holding company's interest in the pre acquisition reserves and profits (or losses) is adjusted against cost of control to arrive at goodwill or capital reserve on consolidation.

(ix) Reserve for equity instruments through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.

(x) Equity Component of Preference Shares

The reserve represents the Equity component of preference share issued by the Group, being the difference between the fair value of the financial instrument and its carrying value, adjusted for amortisation of interest cost upto the date of transition.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

18.1

		₹ in Lakhs **31st Mar., 2019**	*31st Mar., 2018*
(i)	**Equity shares**		
	Dividend for the year 31st March, 2018 of ₹ 2.50 (*Previous year: ₹ 2.50*) per fully paid share had been proposed by the directors in their meeting held on 28th May, 2018 (*Previous year: 24th May, 2017*) which has been approved by share holders at the Annual General Meeting held on 25th September, 2018 (*Previous year: 24th August, 2017*).	**318.31**	*318.31*
	[excludes dividend on 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation]		
	Dividend distribution tax paid	**66.28**	*65.65*
	Proposed dividend		
(ii)	Dividend not recognised at the end of reporting year		
	In addition to the above dividends, since year end, the board of directors have recommended the payment of a dividend of ₹ 2.50 for the year ended 31st March, 2019 and an additional Special Centenary Year Dividend of ₹ 2.50 per equity share (*Previous year dividend of ₹ 2.50 per equity share*). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	**636.61**	*318.31*
	[excludes dividend on 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation]		
	Dividend Distribution Tax on proposed dividend	**132.57**	*66.28*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

19. Non-current Borrowings ₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
A - Secured – at amortised cost				
(a) Debentures	-	*8,208.22*	**3,994.97**	*1,770.85*
Redeemable Non-Convertible Debentures - Secured by mortgage of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities.				
600 debentures of face value ₹ 10,00,000 each amounting to ₹ 6,000.00 Lakhs were alloted on 10th September, 2015 carrying coupon rate of 9.80% payable half yearly.				
The debentures were to be redeemed at par as follows: 30% at the end of 36 months i.e. on 10th September, 2018, 30% at the end of 48 months i.e. on 10th September, 2019 and 40% at the end of 60 months i.e. on 10th September, 2020. The holding company also had a put/ call option available to redeem the entire amount at the end of 36 months from the date of allotment i.e on 10th September, 2018. The holding company exercised the above option and redeemed the entire principal amount of debentures on 10th September, 2018.				
400 debentures of face value ₹ 10,00,000 each amounting to ₹ 4,000.00 Lakhs were alloted on 20th July, 2016 carrying coupon rate of 9.10% payable half yearly (till 26th October, 2018) and 9.35% payable half yearly (w.e.f 27th October, 2018) and due for repayment on 22nd July, 2019.				
(b) Term loans				
From banks				
i) **Axis Bank, Dubai Foreign currency Term loan** - Secured by first charge on the vessels refinanced under the loan and a first charge over Designated Earnings Account, receivables, earnings, claims against third parties, revenues of the Vessels of whatsoever nature. The second ECB term loan is secured by first charge on the stainless steel vessel acquired in Jan, 2018 and pari passu charge on one marinline coated vessel, further first charge over designated earnings account, receivables, earnings, claims against third parties, revenues of the stainless steel vessel.	**19,264.11**	*21,581.86*	**4,188.63**	*2,472.36*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
The foreign currency term loan from Axis Bank, DIFC Branch, Dubai was obtained in July 2014 at Libor plus a Margin of 4.15%, which was revised to 3.50% with effect from 2nd January, 2016 and further revised to 3.00% with effect from 1st April, 2017. One of the subsidiary has prepaid an amount of USD 3 million on 29th March 2016. The loan is repayable in 12 consecutive unequal semi-annual instalments starting at the end of 6 months from the initial utilisation date i.e. July 2, 2014. The repayment of instalment follow an increasing pattern culminating in a bullet repayment instalment of USD 187.28 Lakhs on July 2, 2020.				
The second ECB loan was availed from Axis Bank, DIFC Branch, Dubai in January 2018 at Libor plus a Margin of 2.76%. The loan is repayable in 12 equal semi- annual instalments starting at the end of 1 year from the initial utilisation date i.e January 10, 2018. The repayment of instalment follow a constant pattern culminating in a bullet repayment instalment of USD 43.16 Lakhs on Jan 10, 2025.				
One of the subsidiary of the Group namely Shapoorji Pallonji Forbes Shipping Limited (‘SPFSL’), is required to maintain as on the last date of each financial reporting period, a Fixed Asset Coverage Ratio of atleast 1.25:1.				
SPFSL shall ensure that its payment obligations under the refinancing agreement rank and continue to rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for the obligations mandatorily preferred by law applied to companies generally.				
SPFSL is required to establish and maintain a Designated Earning Account and ensure that all Earnings are paid in respect of each vessel are paid into the Designated Earning Account.				
SPFSL is also required to establish and maintain a Debt Service Reserve Account, an interest bearing USD - denominated bank account to be opened with Axis Bank Ltd., DIFC Branch, Dubai. The account should have an amount equal to the aggregate of the next immediate schedule Repayment Instalment to be paid and the next immediate scheduled interest due and payable which has been complied with.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

		Non-current portion		Current maturities	
	Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
ii)	**Federal Bank** - Secured by first charge by way of hypothecation of certain investment properties of the Company (Refer Note 65). [Repayable in 8 quaterly installments, after a moratorium period of 12 months. First installment is due in November 2019 and last installment is due in August 2021. Rate of interest is 9.25% p.a. MCLR + 0.5% spread]	**4,994.11**	-	**1,000.00**	-
iii)	**Zoroastrian Bank** - Secured by an exclusive charge by way of hypothecation of certain investment properties of the Company (Refer Note 65). [Repayable in 30 monthly installments after a moratorium period of 6 months. First installment is due in July 2019 and last installment is due in January, 2022. Rate of interest is 9.50% p.a.]	**1,232.10**	-	**467.90**	-
iv)	**Axis Bank Ltd** - Secured by a mortgage over Primary: Exclusive 1st charge on movable and immovable fixed assets (tangible and intangible), present and future, of a subsidiary. Collateral: Extension of pari passu 1st charge on current assets of one of the subsidiary. [Floating rate loans with Axis bank Limited with remaining maturity period not exceedings 12 months (Previous Year : 2 years). The interest rate on these loans is in the range of 10.20% to 10.25% per annum (Previous Year: 10.00% per annum). The loan is repayable in quarterly repayments of 14 tranches starting from December 2016. Maturity of Term Loan - March 2020.]	**-**	*570.00*	**570.00**	*572.00*
v)	**ICICI Bank** - Secured against pari passu charge on tangible assets and brand name/ trade marks (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme) of one of the subsidiary. [Term Loan from ICICI Bank amounting to INR 100,00.00 Lakhs (Outstanding as on 31.03.2019 INR 100,00.00 Lakhs) carries interest rate of 1 year MCLR + Spread. The loan is repayable in 16 equal quartely instalments starting from 18th June 2021.]	**9,801.71**	-	**-**	-
vi)	**DCB Bank Limited Term Loan** - Secured by 1st Pari-passu charge on all the present and future current assets of a subsidiary along with Axis Bank Limited. [Floating rate loans with remaining maturity period of Nil months (Previous Year: not exceedings 9 months). The effective interest rate on these loans for Previous Year is 11% per annum. The loan is repayable in 18 monthly equal instalments from July 2017. Maturity of term loan was December - 2018.]	**-**	-	**-**	*600.01*
vii)	**DCB Bank Limited Long Term Working Capital Loan** - Secured by 1st Pari-passu charge on all the present and future current assets of the subsidiary along with Axis Bank Limited. The Maturity of term loan - March - 2021.	**333.32**	-	**166.68**	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Particulars	Non-current portion As at 31st Mar., 2019	Non-current portion *As at 31st Mar., 2018*	Current maturities As at 31st Mar., 2019	Current maturities *As at 31st Mar., 2018*
[Floating rate loans with DCB bank with remaining maturity periods not exceedings 2 Years. The interest rate on these loans is in the range of 10.24% to 10.74% per annum. The loan is repayable in 18 monthly equal instalments from October 2019].				
viii) **Foreign Currency External Commercial Borrowings -I** - Secured by first mortgage / pari-passu charge on the immovable properties of a subsidiary situated at Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal secured against pari passu charge over all fixed assets (excluding movable assets for employee benefits). Negative lien on all other assets except suitable carve outs for working capital facilities and pledge over brands owned by one of the subsidiary.	-	*1,934.18*	**1,883.11**	*3,831.85*
[External Commercial Borrowing (ECB) borrowed from The Hongkong and Shangai Banking Corporation and Societe Generale Bank, amounting to Euro 290.00 Lakhs (outstanding as on 31st March, 2019 Euro 24.27 Lakhs). The loan is repayable in 11 Equal Semi Annual instalments of Euro 24.16 Lakhs and last instalment of Euro 24.27 Lakhs starting from 12th February 2014 carrying interest rate of Euribor + Margin 2.5% p.a.]				
ix) **Foreign Currency External Commercial Borrowings-II** - The loan is secured against pari passu charge on tangible and brand names / trademarks of one of the subsidiary.				
[Foreign Currency External Commercial Borrowings (ECB) from ICICI Bank UK Plc amounting to EURO 80.00 Lakhs (Previous Year Euro 80.00 Lakhs) (outstanding as on 31st March, 2019 Euro 46.40 Lakhs) carrying interest rate of Euribor + Margin (2.0%) The loan is repayable in 6 half yearly instalments of Euro 11.20 Lakhs and last instalment of Euro 12.80 Lakhs, beginning from 11th December 2017.]	**162.05**	*3,700.35*	**3,440.61**	*1,782.20*
	35,787.40	*35,994.61*	**15,711.90**	*11,029.27*
B - Unsecured – at amortised cost				
(i) Yes Bank Ltd.	**900.00**	*1,500.00*	**600.00**	*600.00*
[Floating rate loans with Yes bank Limited with remaining maturity periods 2 years and 5 months (Previous Year: not exceedings 3 years and 5 months). The effective interest rate on these loans is in the range of 10.25% to 10.75% per annum (Previous Year : 9.8%). The term Loan shall be repayable in 18 equal quarterly installment of ₹ 150.00 Lakhs from May 2017. Maturity of term loan - August - 2021.]				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
(ii) Term Loan from Axis Bank	-	*12,105.81*	-	*3,822.89*
[The loan is repayable in 3 annual instalments commencing from the year 2018 as follows : 2018 - USD 60,00,000, 2019 - USD 60,00,000 and 2020 - USD 1,30,00,000. Loan carries interest rate of LIBOR plus 385 bps per annum.]				
(iii) Term Loan from Axis Bank	**2,775.17**	*3,822.11*	**1,390.14**	-
[The loan is repayable in 3 annual instalments of USD 20,00,000 each commencing from the year 2019-20. Loan carries interest rate of LIBOR plus 375 bps per annum.]				
(iv) Bank Debts	**11,919.81**	*11,461.98*	-	-
[Multicurrency Term Facility Agreement. The Loan is repayable in 7 equal instalments, first time in December 2019, and last time in December 2022.] (a part of the loan is secured by pledge of shares of Lux International AG) The loan carries interest rate of 6 month Libor + 2%.				
(v) Debentures				
a) India Bulls (250 debentures of face value of ₹ 10,00,000 each)	-	*2,496.67*	**2,498.36**	-
[Debentures are Unsecured, Redeemable and Non Convertible. Date of allotment of Debentures : March 20, 2017. One time bullet repayment on March 20, 2020. The debentures carry interest at 10.38% p.a payable on quarterly basis.]				
b) Axis Bank (350 debentures of face value of ₹ 10,00,000 each)	**3,480.57**	*3,468.06*	-	-
[Debentures are Unsecured, Redeemable and Non Convertible. Date of allotment of Debentures : October 18, 2017. One time bullet repayment on October 18, 2020. The debentures carry interest at 9.90% p.a payable on quarterly basis. Interest rate has been revised to 10.15% p.a w.e.f. October 27, 2018]				
(vi) Liability component of Redeemable Preference Share Capital (refer Note 48 and 49)	**2,988.87**	*2,682.66*	-	-
	22,064.42	*37,537.29*	**4,488.50**	*4,422.89*
Total (A+B)	**57,851.82**	*73,531.90*	**20,200.40**	*15,452.16*
Less: Amount disclosed under "Other current financial liabilities" in Note 20B.	-	-	**(20,200.40)**	*(15,452.16)*
Total Non-current borrowings	**57,851.82**	*73,531.90*	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

20. Other financial liabilities

20A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	As at 31st Mar., 2018
a) Security deposits	**218.74**	*468.65*
b) Others: -		
-Pension liability	**4,320.54**	*4,368.65*
-Liability towards employee and other contractual liabilities	**54.84**	*141.96*
-Other Payables	**73.90**	*92.35*
Total	**4,668.02**	*5,071.61*

20B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	As at 31st Mar., 2018
a) Current maturities of long-term borrowings	**20,200.40**	*15,452.16*
b) Interest accrued but not due on borrowings	**634.71**	*683.01*
c) Unpaid dividends **	**17.28**	*- **
d) Others :-		
-Payables on purchase of fixed assets	**166.04**	*75.85*
-Security deposits	**5,626.59**	*4,408.00*
-Liability towards derivative contracts	**310.05**	-
-Liability towards employee and other contractual liabilities	**8,207.96**	*8,211.83*
-Dues on account of customer rebate schemes and other contractual liabilities	**1,568.65**	*1,516.32*
-Other Accrued Liabilities	**1,677.50**	*1,933.26*
	17,556.79	*16,145.26*
Total	**38,409.18**	*32,280.43*

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

* Amount is below the rounding off norm adopted by the Group.

21. Provisions

21A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	As at 31st Mar., 2018
a) Employee benefits		
Gratuity (refer Note 43)	**150.53**	*308.90*
Other post retirement benefits (refer Note 43)	**260.04**	*275.67*
	410.57	*584.57*
b) Other provisions		
For Warranty (refer Note 42)	**229.20**	*265.29*
Other Provisions (refer Note 42)	**409.11**	*1,515.93*
	638.31	*1,781.22*
Total	**1,048.88**	*2,365.79*

Note: Other provisions comprises provision for contingencies, restructuring and other provisions which represents the present value of the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities. The movement of provision for contingencies is depicted under Note 42.

21B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	As at 31st Mar., 2018
a) Employee benefits		
Compensated absences	**1,119.76**	*831.72*
Gratuity (refer Note 43)	**484.87**	*310.29*
Other post retirement benefits (refer Note 43)	**43.48**	*58.44*
	1,648.11	*1,200.45*
b) Other provisions		
For Warranty (refer Note 42)	**1,071.83**	*967.66*
Other Provisions (refer Note 42)	**380.75**	*175.39*
	1,452.58	*1,143.05*
Total	**3,100.69**	*2,343.50*

22. Deferred tax

22A. Deferred tax assets

The following is the analysis of deferred tax assets presented in the balance sheet:

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Deferred Tax Assets (refer Note 39)	**6,651.77**	*2,615.04*
Total	**6,651.77**	*2,615.04*

22B. Deferred tax liabilities

The following is the analysis of deferred tax (liabilities) presented in the balance sheet:

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Deferred tax liabilities (refer Note 39)	**(486.47)**	*(353.53)*
Total	**(486.47)**	*(353.53)*

23. Other liabilities

23A. Non-current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Income received in advance	**10,886.80**	*10,052.78*
b) Others		
-Payable to Employees	**1,149.14**	*877.87*
Total	**12,035.94**	*10,930.65*

23B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Income received in advance	**30,274.44**	*28,121.35*
b) Advances from customers (includes ₹ 25,461.61 Lakhs (*Previous year ₹ 185.45 Lakhs*) towards installments received from customers towards real estate development projects in progress) (Refer Note 64)	**26,909.22**	*2,123.01*
c) Statutory remittances	**1,847.16**	*2,166.47*
d) Others		
-Payable to Employees	**1,980.84**	*2,397.12*
-Contract Liabilities (refer Note 1 below)	**62.00**	-
-Refund Liabilities (refer Note 2 below)	**1,019.68**	-
-Other Payables	**511.80**	*531.96*
Total	**62,605.14**	*35,339.91*

Notes:

1 Contract liabilities pertains to deferred revenue arising as a separate performance obligation.

2 The Group recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers. Also refer Note 64.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

24. Current Borrowings

₹ in Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
A - Secured - at amortised cost		
a) Loans repayable on demand		
-from banks		
Cash credit facilities/ Buyers Credit	**19,947.28**	*20,008.23*
Cash credit facilities amounting to ₹ 9,995.38 Lakhs (*Previous Year ₹ 15,210.71 Lakhs*) is secured by pari-passu charge on a subsidiary's current assets, hypothecation of stock-in-trade and book debts and carries interest at 8.35 % to 13 % p.a. In case of Foreign entities of a subsidiary, the interest rate for all bank overdrafts were between 1.69% and 12%.		
Cash credit facilities amounting ₹ 4,638.79 Lakhs (*Previous Year ₹ 4,797.51 Lakhs*) from Axis Bank and DCB Bank are secured by pari-passu hypothecation charge on all inventory and trade receivables of a subsidiary with carrying amount of ₹ 9,803.61 Lakhs *(Previous Year ₹ 8,722.51 Lakhs)*. Average rate of interest on facilities ranges from 10.20% to 10.74% *(Previous year 10.00% to 11.00%)*.		
Cash credit from consortium of banks amounting to ₹ 971.05 Lakhs (*Previous year Nil*) is secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia (refer Note 65).		
Overdraft facility from Axis Bank ₹ 4,342.06 Lakhs (*Previous year Nil*) is secured by first charge on project Vicinia receivables to the extent pertaining to Forbes & Company Limited (refer Note 65).		
The loan of Lux Hungary is secured by the pledge of total assets in Lux Hungary upto a maximum amount of ₹ 3,716.60 Lakhs (*Previous year ₹ 3,716.60 Lakhs*).		
	19,947.28	*20,008.23*
B - Unsecured - at amortised cost		
a) Loans repayable on demand	**6,476.82**	*2,815.38*
-from banks		
Unsecured short term borrowing from banks carries interest at 7.50 % to 10.50 % p.a.		
b) Loans from related parties (refer Note 47) (refer Note 1 and 2 below)	**2,473.14**	*245.85*
c) Commercial papers including interest accrued aggregating ₹ Nil (*Previous Year ₹ 24.86 Lakhs*) [maximum amount outstanding during the year ₹ 8,000 Lakhs (*Previous Year ₹ 8,000 Lakhs*)]	-	*6,890.84*
(Loans are having tenure upto 91 days, interest rate is in the range of 7.80% p.a. to 8.10% p.a. and settlement through bullet repayment on respective due dates)		
	8,949.96	*9,952.07*
Total	**28,897.24**	*29,960.30*

Notes:

1. Fixed rate loan with Lucrative Properties Private Limited is repayable on demand. The effective rate of interest is 12.50% p.a (*Previous Year 12.25% p.a*).
2. Fixed rate loan with Shapoorji Pallonji and Company Private Limited is repayable on demand. The effective rate of interest ranges from 10.50% p.a to 11.50% p.a.

25. Trade payables

25 Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Trade payables		
-Others	**39,133.97**	*37,978.15*
-Micro and small enterprises	**1,895.24**	*1,931.23*
Total	**41,029.21**	*39,909.38*

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**1,760.83**	*1,780.75*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**76.79**	*31.55*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**497.83**	*168.44*
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**91.91**	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**26.06**	*1.88*
Further interest remaining due and payable for earlier years	**31.56**	*117.05*

26. Current tax assets and liabilities

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Current tax assets (net)		
Tax refund receivable	**6,131.03**	*6,987.85*
	6,131.03	*6,987.85*
Current tax liabilities (net)		
Income tax payable	**500.39**	*706.07*
	500.39	*706.07*
Net Asset	**5,630.64**	*6,281.78*
Movement during the year		
Balance at the beginning of the year	**6,281.78**	*5,951.15*
Add: Taxes paid (includes MAT Credit utilised against tax Payable ₹ 1.74 Lakhs *(Previous Year₹ 488.90 Lakhs)*	**2,634.11**	*3,932.86*
Less: Refund received (net of taxes paid / adjusted)	**(648.07)**	-
Less: Current tax payable for the year	**(2,637.18)**	*(3,602.23)*
Balance at the year end	**5,630.64**	*6,281.78*

27. Revenue from operations

The following is an analysis of the Group's revenue for the year

₹ in Lakhs

Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
a) Income from real estate contracts	-	*9,516.53*
b) Sale of products (including excise duty)	**2,00,604.68**	*1,97,414.31*
c) Sale of services		
i) Charter hire income	**11,414.04**	*8,102.49*
ii) Maintenance and Support Service Charges	**63,317.45**	*57,420.42*
iii) Transaction Charges	**243.03**	*245.66*
iv) Commission Income	**4,043.05**	*4,215.90*
	79,017.57	*69,984.47*
d) Other operating revenues		
i) Rent and amenities	**2,025.43**	*2,038.07*
ii) Export Incentives	**158.57**	*48.78*
iii)Others (mainly includes scrap sales, interest on instalments and income from renting of products)	**3,535.64**	*3,768.78*
	5,719.64	*5,855.63*
Total	**2,85,341.89**	*2,82,770.94*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

28. Other income

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
(i) Bank deposits	**142.76**	*106.63*
(ii) Interest income from financial assets and others at amortised cost	**260.82**	*39.07*
(iii) Customers and others	**8.43**	*67.68*
	412.01	*213.38*
b) Dividend Income		
(i) from long-term investments	**0.04**	*0.07*
(ii) from current investments	**0.04**	*0.49*
	0.08	*0.56*
c) Other Non-Operating Income		
(i) Credit balances / excess provision written back	**749.37**	*71.93*
(ii) Rent Income	**32.65**	*63.37*
(iii) Interest on Income Tax refund	**386.38**	*46.65*
(iv) Miscellaneous income	**1,606.32**	*1,002.13*
	2,774.72	*1,184.08*
d) Other gains and losses		
(i) Gain on disposal of property, plant and equipment	**56.30**	*298.87*
(ii) Gain on disposal of current investments	**412.94**	*218.71*
(iii) Gain on disposal of subidiary	**84.56**	-
(iv) Net foreign exchange gains	-	*1,063.37*
(v) Guarantee Commission	**25.42**	*25.27*
	579.22	*1,606.22*
Total	**3,766.03**	*3,004.24*

29. Real estate development costs

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Real estate development costs		
i) Material and Contractual Payments	**4,881.12**	*3,819.74*
ii) Fees for technical services / design and drawings	**100.81**	*217.89*
iii) Project Management Consultancy Fees	**451.23**	*117.68*
iv) Fees-filing with Statutory Authorities	**1,431.71**	*1,629.01*
v) Interest on borrowings	**507.47**	*445.38*
vi) Operation and maintenance expenses	**182. 57**	*174.64*
Total	**7,554.91**	*6,404.34*

30. A. Cost of materials consumed (raw and packing materials)

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Opening Stock of of raw materials including packing materials	**5,649.77**	*7,253.73*
Purchases	**77,207.32**	*66,001.41*
	82,857.09	*73,255.14*
Less: Closing stock of raw materials including packing materials	**6,926.86**	*5,649.77*
	75,930.23	*67,605.37*
	75,930.23	*67,605.37*

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

	Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
a) Inventories at the end of the year:		
i) Finished goods	**8,226.07**	*6,945.55*
ii) Work-in-progress	**788.97**	*569.40*
iii) Stock-in-trade	**10,873.96**	*15,526.70*
iv) Spares and accessories	**8,296.51**	*9,110.34*
v) Real estate development work-in-progress	**24,304.31**	*5,586.14*
	52,489.82	*37,738.13*
b) Inventories at the beginning of the year:		
i) Finished goods	**6,945.55**	*7,530.12*
ii) Work-in-progress	**569.40**	*428.07*
iii) Stock-in-trade	**15,526.70**	*12,865.02*
iv) Spares and accessories	**9,110.34**	*10,628.80*
iv) Real estate development work-in-progress	**5,586.14**	*4,804.58*
	37,738.13	*36,256.59*
c) Increase in Inventory due to adoption of Ind AS 115 (refer Note 64)	**11,163.27**	-
Net increase (b+c-a)	**(3,588.42)**	*(1,481.54)*

31. Employee benefits expense

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
i)	Salaries and Wages	**64,154.91**	*64,368.33*
ii)	Contribution to provident and other funds	**2,801.68**	*2,850.26*
iii)	Staff Welfare Expenses	**1,670.66**	*1,745.45*
	Total	**68,627.25**	*68,964.04*

32. Finance costs

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
(a)	Interest Cost		
(i)	Interest on borrowings	**8,272.66**	*8,709.03*
	Less: Interest capitalized during the year	**(404.54)**	*(592.00)*
		7,868.12	*8,117.03*
(ii)	Interest Expense on delayed payment of taxes	**1.17**	*0.35*
(iii)	Notional Interest on Security Deposit	-	*0.29*
(iv)	Other Interest Expense	**148.65**	*59.40*
(v)	Interest on Preference Share classified as borrowing	**306.21**	*287.27*
(b)	Exchange differences regarded as an adjustment to borrowing costs	**377.09**	*727.72*
(c)	Other borrowing costs	**236.36**	*363.90*
	Total	**8,937.60**	*9,555.96*

The weighted average capitalisation rate on borrowed funds generally is 10.14% p.a. *(Previous Year 13.93% p.a).*

33. Depreciation, amortisation and impairment expense

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
i)	Depreciation of property, plant and equipment (refer Note 5)	**6,532.63**	*5,964.25*
ii)	Depreciation of investment properties (refer Note 6)	**63.45**	*62.40*
iii)	Amortisation of intangible assets (refer Note 8)	**1,109.76**	*1,504.70*
iv)	Impairment of Goodwill (refer Note 7)	-	*174.41*
v)	Less : Transferred to Real estate work-in-progress	**(1.19)**	*(1.19)*
	Total	**7,704.65**	*7,704.57*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

34. Other expenses

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Consumption of stores and spare parts		**2,077.38**	*1,676.74*
(Decrease) of excise duty on inventory		**-**	*(144.39)*
Processing charges		**3,293.20**	*2,883.31*
Power and fuel		**1,281.18**	*1,224.41*
Operating costs for shipping and logistics division			
a) Crew and Other Related Expenses		**182.04**	*183.77*
b) Others		**256.18**	*503.77*
Rent and hire charges		**3,077.25**	*3,298.73*
Repairs to :			
a) Buildings	**289.43**		*316.14*
b) Plant and machinery	**687.31**		*612.68*
c) Others	**1,115.29**		*1,033.84*
		2,092.03	*1,962.66*
Insurance		**787.82**	*854.03*
Rates and taxes		**525.48**	*505.77*
Selling expenses, commission and brokerage		**13,193.70**	*11,843.54*
Printing and Stationery		**451.07**	*526.31*
Communication		**1,814.22**	*1,698.64*
Advertisement and sales promotion		**5,217.06**	*5,463.10*
Legal and professional charges		**4,977.61**	*3,081.83*
Travelling and conveyance		**4,364.59**	*4,155.13*
Trade receivables / advances written off	**38.38**		*1,103.43*
Less: Provision held	**38.38**		*13.80*
		-	*1,089.63*
Provision for doubtful trade receivables		**266.78**	*286.89*
Provision for doubtful loans and advances		**707.89**	*23.68*
Managed assets service provider’s charges		**226.13**	*425.59*
Service Charges		**25,849.13**	*23,066.25*
Freight and outward charges		**5,597.54**	*5,124.89*
Information Technology Expenses		**2,959.61**	*3,210.01*
Conference Expenses		**2,095.44**	*2,554.61*
Logistics Charges		**2,999.99**	*2,355.12*
Money Transfer Business Expenses		**408.04**	*316.13*
Corporate Social Responsibility Expenditure (refer Note 2 below)		**160.25**	*201.54*
Net foreign exchange loss		**539.75**	*-*
Other Establishment expenses and Miscellaneous expenses		**10,209.84**	*12,504.76*
Auditor Remuneration			
To Statutory auditors			
i) For audit	**246.70**		*246.71*
ii) For taxation matters	**5.78**		*5.63*
iii) For other services	**32.98**		*44.29*
iv) For reimbursement of expenses	**7.58**		*6.40*
		293.04	*303.03*
To cost auditors		**8.78**	*6.46*
Total		**95,913.02**	*91,185.94*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Note : Included in other expenses are the below:

₹ in Lakhs

	Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
1.	Direct operating expenses arising from investment properties that generated rental income during the year	**173.66**	*179.04*
	Direct operating expenses arising from investment properties that did not generate rental income during the year	**17.55**	*10.63*
	Total	**191.21**	*189.67*

2. Details of Corporate social responsibility expenditure:

₹ in Lakhs

	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities. A CSR committee has been formed by the Company as per the Act		
Amount required to be spent as per section 135 of the Act.	**164.60**	*103.71*
Amount spent/commitments during the year:		
i) Construction/acquisition of an asset	**47.25**	*1.20*
ii) Purpose other than (i) above	**113.00**	*200.34*
Total	**160.25**	*201.54*
Agreements entered for construction/ acquisition of assets	**4.75**	*19.80*

35. Exceptional items

₹ in Lakhs

	Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
a)	Expected out flow for disputed matters (refer note 52)	**(1,055.82)**	-
b)	Gain on transfer of interest (refer Note 56)	**84.90**	-
	Total	**(970.92)**	-

36. Income taxes

36.1 Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	**Year ended 31st Mar., 2019**	*Year ended 31st Mar., 2018*
Current tax (including MAT credit utilised ₹ 672.71 Lakhs *(Previous year ₹ Nil)*)	**2,637.18**	*3,602.23*
Deferred tax	**(1,188.92)**	*(793.18)*
Total income tax expense recognised in the current year	**1,448.26**	*2,809.05*
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/ (Loss) before tax	**1,149.78**	*(411.83)*
Income tax expense calculated at corporate tax rate at 34.94% *(Previous Year: 34.608%)*	**401.73**	*(142.53)*
Effect of amounts which are exempt in calculating taxable income	**161.48**	*409.32*
Effect of past losses for which deferred tax assets is recognised in current year	**-**	*(952.79)*
Effect of expenses that are not deductible in determining taxable profit	**66.05**	*57.40*
Effect of tax incentives and concessions	**(88.13)**	*(77.61)*
Tax not payable for loss making entities	**415.81**	*968.10*
Others (mainly comprises effect of difference in tax rates in subsidiaries, net of impact of elimination and adjustments on consolidation)	**491.32**	*2,547.16*
Income tax expense recognised in consolidated Statement of Profit and Loss	**1,448.26**	*2,809.05*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

36.2 Income tax recognised in other comprehensive income

Others		
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Re-measurement of defined benefit obligation	**17.55**	*10.12*
Equity instruments through other comprehensive income	**36.62**	*(54.31)*
Total income tax expense recognised in other comprehensive income	**54.17**	*(44.19)*

37. Leases

(a) Operating lease: Group as lessor

The Group has entered into operating lease arrangements, consisting of surplus space in buildings to others. The Group also gives certain products on operating lease. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 2,025.43 Lakhs *(Previous Year ₹ 2,038.07 Lakhs)* has been disclosed as "Rent and amenities" under Revenue from operations in Note 27 and ₹ 32.65 Lakhs *(Previous Year ₹ 63.37 Lakhs)* has been disclosed as "Rent Income" under Other Income in Note 28 to the Statement of Profit and Loss.

Non-cancellable operating lease receivables

Period	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
	₹ in Lakhs	*₹ in Lakhs*
Not later than 1 year	**297.11**	*450.15*
Later than 1 year and not later than 5 years	**455.01**	*232.83*
Later than 5 years	-	-
TOTAL	**752.12**	*682.98*

(b) The Group as lessee :

The Group has taken certain office premises, vehicles, residential flats and equipment on operating lease basis. Future minimum lease payable under non-cancellable operating lease are as follows:

Period	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
	₹ in Lakhs	*₹ in Lakhs*
Not later than 1 year	**765.72**	*785.67*
Later than 1 year and not later than 5 years	**1,395.04**	*1,767.77*
Later than 5 years	**318.99**	*373.52*
TOTAL	**2,479.75**	*2,926.96*

(c) Rent expenses relating to operating leases :

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
	₹ in Lakhs	*₹ in Lakhs*
Lease payments recognised in the consolidated Statement of Profit and Loss	**1,957.35**	*1,977.66*

38. Earnings per share

The earnings and weighted average number of equity shares used in the calculation of earnings per share are as follows.

Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Profit/(Loss) for the year (A) (₹ in Lakhs)	**(298.48)**	*(3,220.88)*
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Basic/ Diluted Earnings per share (A/B) (₹)	**(2.34)**	*(25.30)*
Profit/(Loss) for the year attributable to owners of the Group (A) (₹ in Lakhs)	**696.43**	*(1,944.27)*
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Basic/ Diluted earnings per share attributable to owners of the Group (A/B) (₹)	**5.47**	*(15.27)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

39A. Deferred tax Assets

The following is the movement of deferred tax assets presented in the Balance Sheet:
Current Year (2018-19)

₹ in Lakhs

Particulars	**Opening balance**	**Recognised in Statement of Profit and Loss**	**Foreign Exchange Adjustment**	**Recognised in Retained Earnings**	**Recognised in Other Comprehensive Income**	**MAT Credit utilised against Tax Payable**	**Closing balance**
Deferred tax (liabilities)/ assets in relation to:							
a) Property, plant and equipment	(681.73)	8.71	-	-	-	-	(673.02)
b) Allowance for Doubtful debts and advances	275.31	15.53	-	-	-	-	290.84
c) Provisions and liabilities to be allowed on payment basis	1,431.62	(76.83)	-	-	36.28	-	1,391.07
d) Voluntary retirement scheme	76.39	(24.98)	-	-	-	-	51.41
e) MAT Credit	1,694.96	(670.97)	-	-	-	(1.74)	1,022.25
f) Profits from Real Estate Business	-	1,313.13	-	2,690.18	-	-	4,003.31
g) Others (includes tax losses)	559.50	763.62	(27.74)	-	17.89	-	1,313.27
Total	**3,356.05**	**1,328.21**	**(27.74)**	**2,690.18**	**54.17**	**(1.74)**	**7,399.13**

Previous Year (2017-18)

₹ in Lakhs

Particulars	*Opening balance*	*Recognised in Statement of Profit and Loss*	*Foreign Exchange Adjustment*	*Others*	*Recognised in Other Comprehensive Income*	*MAT Credit utilised against Tax Payable*	*Closing balance*
Deferred tax (liabilities)/ assets in relation to:							
a) Property, plant and equipment	*(551.70)*	*(130.03)*	-	-	-	-	*(681.73)*
b) Allowance for Doubtful debts and advances	*275.00*	*0.31*	-	-	-	-	*275.31*
c) Provisions and liabilities to be allowed on payment basis	*1,192.39*	*294.99*	-	*(11.57)*	*(44.19)*	-	*1,431.62*
d) Voluntary retirement scheme	*114.76*	*(38.37)*	-	-	-	-	*76.39*
e) MAT Credit	*1,571.07*	*612.79*	-	-	-	*(488.90)*	*1,694.96*
f) Profits from Real Estate Business	-	-	-	-	-	-	-
g) Others (includes tax losses)	*609.14*	*(54.74)*	*5.11*	*(0.01)*	-	-	*559.50*
Total	*3,210.66*	*684.95*	*5.11*	*(11.58)*	*(44.19)*	*(488.90)*	*3,356.05*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

39B. Deferred tax Liabilities

The following is the movement of deferred tax liabilities presented in the Balance Sheet:

Current Year (2018-19)

₹ in Lakhs

Particulars	**Opening balance**	**Recognised in Statement of Profit and Loss**	**Recognised in Other Comprehensive Income**	**Foreign Exchange Adjustment**	**Closing balance**
Deferred tax (liabilities) in relation to:					
a) Property, plant and equipment	(985.04)	(40.44)	-	-	(1,025.48)
b) Others (includes tax losses)	(109.50)	(98.85)	-	-	(208.35)
Total	**(1,094.54)**	**(139.29)**	**-**	**-**	**(1,233.83)**

Previous Year (2017-18)

₹ in Lakhs

Particulars	*Opening balance*	*Recognised in Statement of Profit and Loss*	*Recognised in Other Comprehensive Income*	*Foreign Exchange Adjustment*	*Closing balance*
Deferred tax liabilities in relation to:					
a) Property, plant and equipment	*(811.51)*	*(173.53)*	-	-	*(985.04)*
b) Others (includes tax losses)	*(393.55)*	*281.76*	-	*2.29*	*(109.50)*
Total	*(1,205.06)*	*108.23*	-	*2.29*	*(1,094.54)*

Note:

Deferred tax assets and liabilities aggregating to ₹ 747.35 Lakhs *(Previous year ₹ 741.01 Lakhs)* of certain subsidiaries have been offset due to the netting off provisions applicable in those jurisdictions. Accordingly, the value of deferred tax asset/ liabilities as reflected in the financial statements would reconcile on a net basis with the amount reflected above.

39C. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Deductible temporary differences,unused tax losses and unused tax credits for which no deferred tax assets have been recognized are attributable to the following:		
a) Deductible temporary differences (will never expire)		
-Unaborbed depreciation	**2,828.15**	*2,238.57*
b) Deductible temporary differences (will expire)		
-Unused tax losses (for which Deferred Tax Asset has not been recognised)	**5,537.09**	*5,081.47*
-Unused tax losses (capital in nature)	**2,006.80**	*2,100.49*
	10,372.04	*9,420.53*

Notes :

1 In respect of Lux Group, deferred tax assets amounting to ₹ 2,856.82 Lakhs *(Previous year ₹ 4,176.22 Lakhs)* from tax losses carried forward are not capitalised as their recoverability is uncertain.

2 In respect of EFL Mauritius Limited, at 31 March 2019, the Company had accumulated tax losses amounting to ₹ 31.56 Lakhs *(Previous Year ₹ 26.45 Lakhs)* and is therefore not liable to income tax.The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.

3 In respect of Forbes Enviro Solutions Limited, owing to losses in the current year, no provision for current tax has been made. Further, unrecognised deferred tax on tax losses and unabsorbed depreciation is ₹ 38.06 Lakhs *(Previous year ₹ 30.90 Lakhs)* - Expiry date - 31st March 2027

4 In respect of Forbes Lux International AG, at 31 March 2019, the Company had accumulated tax losses amounting to ₹ 20,675.76 Lakhs and is therefore not liable to income tax.The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

39D. Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, a subsidiary has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed tonnage income of that entity and no deffered tax is applicable to such income as there are no temporary differences. The temporary difference in respect of the non-tonnage activities of that entity are not material, in view of which deferred taxation has not been accounted for that entity.

39E. Certain subsidiaries and joint ventures of the group have undistributed earnings as at 31st March, 2019 of ₹ 3,644.51 Lakhs *(Previous Year ₹ 2,630.13 Lakhs)* which, if paid out as dividends or Group's interests in them if sold outright, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries and joint ventures. These subsidiaries are not expected to distribute dividends out of their reserves in the foreseeable future. Certain subsidiaries, joint ventures and all associates of the group are currently in accumulated deficit, the set-off of those temporary differences is not available against temporary differences of other entities in the group. Also, certain entities who have suffered losses during the year ended March 31st 2019 which would have restrictions for dividend distribution have been excluded from the aforesaid undistributed earnings calculation.

40 Contingent liabilities:

₹ in Lakhs

		As at 31st Mar., 2019	*As at 31st Mar., 2018*
(a)	**Claims against the Group not acknowledged as debts**		
1	Taxes in dispute:-		
	(i) Excise demand	**4,294.87**	*4,165.94*
	(ii) Sales tax	**6,361.97**	*6,116.49*
	(iii) Income-tax	**6,071.63**	*6,747.33*
	(iv) Service-tax	**3,041.18**	*2,886.08*
	(v) Customs duty	**100.00**	*101.00*
	(vi) Wealth tax	**409.86**	*409.86*
2	Labour matters in dispute	**19.77**	*28.52*
3	Customer claims	**3,169.04**	*3,165.04*
4	Other legal matters *	**357.98**	*93.98*

* excludes an amount for eviction suit which was filed against a subsidiary namely, Volkart Fleming Shipping & Services Limited, as a tenant and a claim for mense profit. The claim amount is not ascertainable.

(b) Share in contingent liability of Joint Ventures and associates:

The Contingent Liabilities as on 31st March, 2019 is ₹ 182.17 Lakhs *(Previous Year ₹ 199.99 Lakhs)*.

In respect of one of the Joint Venture, pursuant to recent judgement by Hon'ble Supreme Court dated 28th February, 2019, it was held that basic wages for the purpose of Provident Fund, to include special allowances which are common for all employees. However, there is uncertainty with respect to the applicability of the judgement and period from which the same applies.

Owing to the aforesaid uncertainty and pending clarification from the authorities in this regard, the Joint Venture has not recognized any provision for previous years. Further, management also believes that impact of the same on the company will not be material.

(c)	Guarantees given		
	(i) Surety Bonds given on behalf of Shipping Principals and jointly executed with third parties in favour of customs and other parties (net of provision)	-	*64.00*
	(ii) Guarantee on behalf of related parties	**3,107.71**	*2,906.42*
	(iii)Bank Guarantees Issued	**94.64**	*100.00*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Notes:

1 In respect of items mentioned above, till the matters are finally decided, the timing of outflow of economic benefits cannot be ascertained.

2 A subsidiary had entered into an agreement with Nayati Multi Super Speciality for providing the Sanitary House Keeping Services at their Hospital. There is a dispute regarding non payment from the customer to this entity for an amount of ₹ 75.46 Lakhs This matter has been referred for arbitration.

3 The Group is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

41 Other Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 2,903.77 Lakhs *(Previous Year ₹ 164.84 Lakhs)* (net of advances).

(b) The group has issued performance guarantee of ₹ 7,369.04 Lakhs *(Previous Year ₹ 6,387.65 Lakhs)*

42. Details of Provisions

The Group has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in Lakhs

Particulars	As at 31st Mar., 2018	Additions	Utilization	Reversal (withdrawn as no longer required)	As at 31st Mar., 2019
Provision for warranty (refer Note 1 below)	**1,232.95**	**1,184.21**	**(1,115.16)**	**(0.97)**	**1,301.03**
	1,301.62	*1,029.94*	*(933.47)*	*(165.14)*	*1,232.95*
Other Provision (refer Note 2 below)	**1,691.32**	**293.78**	**(843.81)**	**(351.43)**	**789.86**
	2,843.42	*285.70*	*(1,255.52)*	*(182.28)*	*1,691.32*
Total	**2,924.27**	**1,477.99**	**(1,958.97)**	**(352.40)**	**2,090.89**
Previous Year	*4,145.04*	*1,315.64*	*(2,188.99)*	*(347.42)*	*2,924.27*

Note:

1. The Group gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature of frequency and average cost of warranty claims.

2. Other provisions include provision for contingencies as disclosed above which represent the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax, restructuring and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities.

Figures in italics relate to the previous year.

43. Employee Benefits :

<u>Brief description of the Plans:</u>

The Group has various schemes for long term benefits such as Provident Fund (in case of certain employees), Superannuation, Gratuity, Employees State Insurance Fund (ESIC), Employees Pension Scheme, Leave Encashment, Pension and Long Term Service Award and Post Retirement Medical and Non Compete Fees. The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees'

Provident Funds and Miscellaneous Provisions Act, 1952). The Group has no further obligation beyond making the contributions to such plans. The Group's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Post retirement medical and Non Compete fees.

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Group operates a defined benefit gratuity plan for employees of certain subsidiaries. The gratuity liability is funded and in some cases, it is unfunded. In case of certain Subsidiaries, where the gratuity liability is funded, the Group contributes to a separate trust administered by the Group towards meeting the Gratuity obligation. The Group's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report, which comprise actuarial gains and losses are recognised in OCI.

In case of certain Subsidiaries, the group has obtained insurance policy with the Life Insurance Corporation of India (LIC) and makes an annual contribution to LIC for amounts notified by LIC. The group accounts for gratuity benefits payable in future based on the calculation performed annually by a qualified actuary using the projected unit credit method at the end of the year. Actuarial Gains and Losses are recognized in OCI.

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government Family Pension Fund / provident fund managed by the trust set up by the Group which are charged to the statement of profit and loss as incurred.

Under the post-retirement medical and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Group accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

No other post-retirement benefits are provided to these employees except agreed pension payouts to former Executive Vice Chairman.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk
The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk
A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk
The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk
The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

I. Charge to the Statement of Profit and Loss based on contributions:

₹ in Lakhs

Particulars	**Year Ended 31st Mar., 2019**	*Year Ended 31st Mar., 2018*
Employer's contribution to Provident Fund	**147.08**	*67.22*
Employer's contribution to Pension Fund	**909.47**	*848.24*
Employer's contribution to Superannuation Fund	**202.23**	*220.85*
Employer's contribution to ESIC and other funds	**21.95**	*23.43*

Included in Contribution to Provident and Other Funds (refer Note 31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

II. Disclosures for defined benefit plans based on actuarial valuation reports as on 31st March, 2019.

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Gratuity (partly funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended		Year Ended	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Present Value of Defined Benefit Obligation as at beginning of the year	**2,359.24**	*2,716.66*	**313.06**	*236.85*	**-**	-	**334.11**	*362.05*
Amount tranferred to/(from) Grauity (non funded)	**-**	-	**(137.62)**	-	**137.62**	-	**-**	-
Interest Cost	**178.78**	*200.31*	**13.01**	*15.77*	**9.12**	-	**25.61**	*26.14*
Current Service Cost	**171.51**	*189.54*	**15.43**	*32.76*	**29.43**	-	**-**	-
Past Service Cost	**-**	*17.23*	**-**	*6.18*	**-**	-	**-**	-
Liabilities Transferred In/ Acquisition	**-**	-	**(2.24)**	-	**-**	-	**-**	-
Benefits Paid	**(313.46)**	*(761.33)*	**(39.28)**	*(15.00)*	**(15.88)**	-	**(41.09)**	*(49.98)*
Remeasurement of defined benefit obligation	**37.24**	*(3.17)*	**8.34**	*36.50*	**38.41**	-	**(15.11)**	*(4.10)*
Present Value of Defined Benefit Obligation as at the end of the year	**2,433.31**	*2,359.24*	**170.70**	*313.06*	**198.70**	-	**303.52**	*334.11*

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Gratuity (partly funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended		Year Ended	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Fair Value of Plan Assets as at beginning of the year	**2,055.86**	*2,451.33*	**-**	-	**-**	-	**-**	-
Return on Plan Assets (excluding interest income/ expense)	**5.88**	*(1.74)*	**-**	-	**-**	-	**-**	-
Interest income	**169.40**	*176.49*	**-**	-	**-**	-	**-**	-
Remeasurement gain	**-**	-	**-**	-	**-**	-	**-**	-
Contributions from employer	**232.95**	*191.11*	**-**	-	**20.00**	-	**-**	-
Benefits Paid	**(313.46)**	*(761.33)*	**-**	-	**-**	-	**-**	-
Fair Value of Plan Assets as at the end of the year	**2,150.63**	*2,055.86*	**-**	-	**20.00**	-	**-**	-

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Gratuity (partly funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended		Year Ended	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Present Value of Defined Benefit Obligation as at the end of the year	**2,433.31**	*2,359.24*	**170.70**	*313.06*	**198.70**	-	**303.52**	*334.11*
Fair Value of Plan Assets as at end of the year	**2,150.63**	*2,055.86*	-	-	**20.00**	-	-	-
Net Liability recognised in the Balance Sheet	**282.68**	***303.38***	**170.70**	***313.06***	**178.70**	-	**303.52**	***334.11***

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Gratuity (partly funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended		Year Ended	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Current Service Cost	**171.51**	*189.54*	**15.43**	*32.76*	**29.43**	-	-	-
Past service cost	-	*17.23*	-	*6.18*	-	-	-	-
Net interest	**9.38**	*23.82*	**13.01**	*15.77*	**9.12**	-	**25.61**	*26.14*
Return on Plan Assets (excluding interest income/ interest expense)	-	*(4.41)*	-	-	-	-	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**180.89**	***226.18***	**28.44**	***54.71***	**38.55**	-	**25.61**	***26.14***

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund (refer Note 31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

E. Expenses Recognized in the Other Comprehensive Income (OCI)

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Non-Funded)		Gratuity (partly funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended		Year Ended	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	-	*22.16*	-	-	-	-	-	-
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in financial assumptions	**17.19**	*(66.04)*	**2.72**	*36.09*	**(0.40)**	-	**2.27**	*(8.04)*
Actuarial (Gains)/Losses on Obligation For the Year - Due to experience adjustment	**20.05**	*40.71*	**5.62**	*0.41*	**38.81**	-	**(17.38)**	*3.94*
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	-	-	-	-	-	-	-	-
Return on Plan Assets, excluding Interest Income	**(5.88)**	*6.16*	-	-	-	-	-	-
Others	-	-	-	-	-	-		
Net (Income)/Expense For the Year Recognized in OCI	**31.36**	***2.99***	**8.34**	***36.50***	**38.41**	-	**(15.11)**	***(4.10)***

F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at		As at	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Discount Rate (per annum)	**6.66% to 7.78%**	*7.73% to 7.87 %*	**7.48% to 7.79%**	*7.65% - 7.86%*
Salary escalation rate	**3.5% to 7.00%**	*3.50% to 8.00%*	**0.00%**	*0.00%*
Rate of employee turnover *	**2.00% to 20.00%**	*2.00% to 20.00%*	**0.00%**	*0.00%*
Mortality rates	**Indian Assured lives Mortality (2006-08)**	*Indian Assured lives Mortality (2006-08)*		

* In case of a subsidiary namely Forbes Facility Services Private Limited for service of 4 years and below, attrition rate is 60%.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

G. Movements in the present value of defined benefit obligation are as follows:

₹ in Lakhs

Particulars	Gratuity (Funded)		Gratuity (Unfunded)		Gratuity (partly funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Opening Net Liability	**303.38**	*265.33*	**313.06**	*236.85*	**-**	-	**334.11**	*362.05*
Amount tranferred to/ (from) Grauity (non funded)	**-**	-	**(137.62)**	-	**137.62**	-		
Liabilities Transferred In/ Acquisition	**-**	-	**(2.24)**	-	**-**	-		
Expenses Recognized in Statement of Profit or Loss	**180.89**	*226.18*	**28.44**	*54.72*	**38.55**	-	**25.61**	*26.14*
Expenses Recognized in OCI	**31.36**	*2.98*	**8.34**	*36.50*	**38.41**	-	**(15.11)**	*(4.10)*
(Benefit Paid Directly by the Employer)	**-**	-	**(39.28)**	*(15.01)*	**(15.88)**	-	**(41.09)**	*(49.98)*
(Employer's Contribution)	**(232.95)**	*(191.11)*	**-**	-	**(20.00)**	-	**-**	-
Net Liability/(Asset) Recognized in the Balance Sheet	**282.68**	*303.38*	**170.70**	*313.06*	**178.70**	-	**303.52**	*334.11*

H. Category of Assets

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
	Gratuity (Funded)	*Gratuity (Funded)*
Government of India Assets (Central and State)	**559.90**	*393.00*
Special Deposits Scheme	**41.03**	*41.03*
Debt Instruments	**202.74**	*473.34*
Corporate Bonds	**373.86**	*107.21*
Cash and Cash Equivalents	**-**	-
Insurance fund	**717.50**	*759.01*
Asset-Backed Securities	**-**	-
Mutual Fund	**35.24**	*32.10*
State Government Securities	**185.29**	*233.84*
Others	**35.07**	*16.33*
Total	**2,150.63**	*2,055.86*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

I. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	**Estimated for the year ended 31st Mar., 2019**	*Estimated for the year ended 31st Mar., 2018*	**Estimated for the year ended 31st Mar., 2019**	*Estimated for the year ended 31st Mar., 2018*
	Gratuity		**Others (Post Retirement medical and non compete fees) (Non funded)**	
1st Following Year	**385.86**	*428.92*	**43.48**	*58.44*
2nd Following Year	**182.27**	*191.45*	**43.48**	*58.44*
3rd Following Year	**206.50**	*238.25*	**43.48**	*58.44*
4th Following Year	**259.34**	*197.33*	**43.48**	*58.44*
5th Following Year	**257.53**	*239.18*	**43.48**	*58.44*
Sum of Years 6 and above	**3,821.02**	*3,951.11*	**217.40**	*292.22*

J. Sensitivity Analysis

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Impact of +1% Change in Rate of Discounting	**(176.35)**	*(169.84)*
Impact of -1% Change in Rate of Discounting	**161.91**	*156.21*
Impact of +1% Change in Rate of Salary Increase	**185.33**	*177.69*
Impact of -1% Change in Rate of Salary Increase	**(164.30)**	*(158.10)*
Impact of +1% Change in Rate of Employee Turnover	**55.68**	*55.24*
Impact of -1% Change in Rate of Employee Turnover	**(63.05)**	*(62.57)*

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Some of the Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. In the case of the parent company, the fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investments of the fund in accordance with the norms prescribed by the Government of India. In case of certain Indian subsidiaries of the group, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

The aforesaid disclosure have been made to the extent information available in the individual financial statements of the Company and its subsidiaries. Accordingly, the net liability and expense in respect of gratuity and other post retirement benefits disclosed in Note 21A and Note 21B would not reconcile with the figures disclosed above.

In respect of foreign subsidiaries of the group, retirement benefits are governed and accrued as per local statutes and there are no defined benefit plans. The amount contributed to the defined contribution plan is charged to the Statement of Profit & Loss on accrual basis. Hence the above table includes the details of Company's incorporated in India only.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

K. Provident Fund

The Group has established Provident Fund namely Forbes & Company Ltd. Employees Provident Fund and Eureka Forbes Limited Employees' Provident Fund, in respect of eligible employees to which both the employee and employer make contribution equal to 12% of the employees' basic salary respectively. The Group's contribution to the provident fund for eligible employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Group. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Employer's contribution to the provident fund trust	**538.89**	*425.85*

The details of Group's provident fund and planned assets position as at year end and is given below.

₹ in Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Present value of Defined Benefit Obligation as at year end	**14,469.60**	*13,278.42*
Planned assets as at year end	**16,770.31**	*15,457.58*

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Approach used	**Deterministic**	*Deterministic*
Increase in compensation levels	**3.5% to 7.00%**	*3.50% to 8.00%*
Discount Rate	**6.66% to 7.78%**	*7.35% to 7.87%*
Attrition Rate *	**2.00% to 20.00%**	*2.00% to 20.00%*
Weighted Average Yield	**8.20% to 8.75%**	*8.19% to 8.75%*
Weighted Average YTM	**8.32% to 8.60%**	*8.48% to 8.60%*
Reinvestment Period on Maturity	**5 years**	*5 years*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

* In case of a subsidiary namely Forbes Facility Services Private Limited for service of 4 years and below, attrition rate is 60%.

L. The liability for Compensated absences (Non – Funded) as at year end is ₹ 1,119.76 Lakhs (*Previous year ₹ 831.72 Lakhs*) (refer Note 21B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ 670.76 Lakhs (*Previous year ₹ 639.50 Lakhs*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

44 Financial Instruments

44.1 Capital Management

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in Notes 19, 20B and 24 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term / short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

The capital components of the Group are as given below:

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Total Equity	**37,286.55**	*43,503.62*
Short Term Borrowings	**28,897.24**	*29,960.30*
Long Term Borrowings (includes accrued interest)	**58,486.53**	*74,214.91*
Current Maturities of Long Term Borrowings	**20,200.40**	*15,452.16*
Total Debt	**1,07,584.17**	*1,19,627.37*
Cash and Cash equivalents	**7,056.00**	*13,699.70*
Bank balances other than above	**433.25**	*425.06*
Net Debt	**1,00,094.92**	*1,05,502.61*
Debt Equity ratio	**2.09**	*2.05*

Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity

44.2 Financial risk management objectives

The Group monitors and manages the financial risks to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

44.3 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 44.7) and interest rates (refer Note 44.6). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

44.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

Other financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to the financial guarantees given to banks on behalf of related parties of the Group. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on is ₹ 3,107.71 Lakhs as at 31st Mar., 2019 (*Previous Year ₹ 2,906.42 Lakhs*). Based on expectations at the end of the reporting period, the Group considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

44.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The Group has undrawn credit lines available as at the end of the reporting period of ₹ 8,911.21 Lakhs (*Previous Year ₹ 3,652.49 Lakhs*).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
- Expiring within one year (Cash Credit/ Overdraft Limits Sanctioned)	**8,911.21**	*3,652.49*
	8,911.21	*3,652.49*

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include principal and interest cash flows. The amounts reflected are gross and undiscounted.

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	**As at 31st Mar., 2019**		
	Upto 1 year	**1 to 5 years**	**5 years and above**
Borrowings (includes interest)	**51,714.71**	**48,657.77**	**10,212.26**
Trade Payables	**41,029.21**	**-**	**-**
Other Financial Liabilities	**17,264.02**	**4,668.02**	**-**
	1,10,007.94	**53,325.79**	**10,212.26**

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	*As at 31st Mar., 2018*		
	Upto 1 year	*1 to 5 years*	*5 years and above*
Borrowings (includes interest)	*48,481.49*	*70,657.04*	*5,998.34*
Trade Payables	*39,909.38*	*-*	*-*
Other Financial Liabilities	*16,145.26*	*5,071.61*	*-*
	1,04,536.13	*75,728.65*	*5,998.34*

44.6 Interest Rate Risk and Sensitivity Analysis

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate borrowings has been considered to be insignificant.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's

- Profit for the year ended 31st March, 2019 would decrease/increase by ₹ 748.51 Lakhs respectively. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.
- Profit for the year ended 31st March, 2018 would decrease/increase by ₹ 766.35 Lakhs respectively. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

44.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Group is exposed to Currency Risk arising from its trade exposures and capital/loan receipt/payments denominated, in other than the Functional Currency. The Group has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

Particulars of unhedged foreign currency exposures as at the reporting date

	As at 31st Mar., 2019				*As at 31st Mar., 2018*			
	Advances from customers and Other Liabilities		**Trade receivables**		*Advances from customers and Other Liabilities*		*Trade receivables*	
Currencies	**FC (Amount in Lakhs)**	**₹ in Lakhs**	**FC (Amount in Lakhs)**	**₹ in Lakhs**	*FC (Amount in Lakhs)*	*₹ in Lakhs*	*FC (Amount in Lakhs)*	*₹ in Lakhs*
USD	**0.13**	**9.34**	**62.87**	**4,365.96**	*0.20*	*13.00*	*24.96*	*1,619.95*
GBP	**-**	**-**	**0.98**	**89.00**	-	-	*1.11*	*101.08*
EUR	**46.64**	**3,634.00**	**0.75**	**58.59**	*71.03*	*5,672.61*	*1.77*	*141.76*

	As at 31st Mar., 2019		*As at 31st Mar., 2018*	
	Security Deposits		*Security Deposits*	
Currencies	**FC (Amount in Lakhs)**	**₹ in Lakhs**	*FC (Amount in Lakhs)*	*₹ in Lakhs*
USD	**10.58**	**734.72**	*10.27*	*667.22*

	As at 31st Mar., 2019				*As at 31st Mar., 2018*			
	Advances to vendors and Other Advances		**Trade payables**		*Advances to vendors and Other Advances*		*Trade payables*	
Currencies	**FC (Amount in Lakhs)**	**₹ in Lakhs**	**FC (Amount in Lakhs)**	**₹ in Lakhs**	*FC (Amount in Lakhs)*	*₹ in Lakhs*	*FC (Amount in Lakhs)*	*₹ in Lakhs*
USD	**14.08**	**977.67**	**41.46**	**2,879.23**	*2.46*	*163.30*	*42.96*	*2,799.99*
EUR	**247.12**	**19,252.84**	**7.73**	**602.22**	*0.40*	*31.97*	*6.58*	*527.28*
CHF	**-**	**-**	**0.01**	**0.96**	-	-	*0.17*	*11.31*
GBP	**-**	**-**	**-***	**-**	-	-	-*	*0.08*
CNY	**0.43**	**4.45**	**-**	**-**	-	-	-	-
AUD	**-**	**-**	**0.10**	**5.12**	-	-	-*	*0.14*
THB	**-**	**-**	**-**	**-**	*0.93*	*1.94*	-	-

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

44.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

Currencies	**As at 31st Mar., 2019**		*As at 31st Mar., 2018*	
	Loan from Banks		*Loan from Banks*	
	FC (Amount in Lakhs)	**₹ In Lakhs**	*FC (Amount in Lakhs)*	*₹ In Lakhs*
USD	**339.31**	**23,563.81**	*372.98*	*24,224.18*
EURO	**73.99**	**5,764.16**	*116.91*	*9,337.09*

Currencies	**As at 31st Mar., 2019**		*As at 31st Mar., 2018*	
	Interest Accrued on Borrowings		*Interest Accrued on Borrowings*	
	FC (Amount in Lakhs)	**₹ In Lakhs**	**FC (Amount in Lakhs)**	*₹ In Lakhs*
USD	**4.73**	**328.67**	*4.30*	*279.23*

Currencies	**As at 31st Mar., 2019**		*As at 31st Mar., 2018*	
	Current Account Balances		*Current Account Balances*	
	FC (Amount in Lakhs)	**₹ In Lakhs**	*FC (Amount in Lakhs)*	*₹ In Lakhs*
USD	**33.84**	**2,350.11**	*26.61*	*1,728.13*
EURO	**0.07**	**5.67**	*-*	*-*

Of the above, the Group is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

As on 31st March, 2019

Currencies	Increase/ Decrease	Total Assets in FC (in Lakhs)	Total Liabilities in FC (in Lakhs)	Impact on Profit or Loss for the year (₹ in Lakhs)
USD	**Increase by 5%**	**121.37**	**385.64**	**(946.66)**
USD	**Decrease by 5%**	**121.37**	**385.64**	**946.66**
GBP	**Increase by 5%**	**0.98**	**-**	**4.45**
GBP	**Decrease by 5%**	**0.98**	**-**	**(4.45)**
EUR	**Increase by 5%**	**247.95**	**128.36**	**329.97**
EUR	**Decrease by 5%**	**247.95**	**128.36**	**(329.97)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

44.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

As on 31st March, 2018

Currencies	*Increase/ Decrease*	*Total Assets in FC (in Lakhs)*	*Total Liabilities in FC (in Lakhs)*	*Impact on Profit or Loss for the year (₹ in Lakhs)*
USD	*Increase by 5%*	*63.42*	*420.43*	*(1,159.94)*
USD	*Decrease by 5%*	*63.42*	*420.43*	*1,159.94*
GBP	*Increase by 5%*	*1.11*	*-*	*5.05*
GBP	*Decrease by 5%*	*1.11*	*-*	*(5.05)*
EUR	*Increase by 5%*	*2.17*	*194.52*	*(768.17)*
EUR	*Decrease by 5%*	*2.17*	*194.52*	*768.17*

Derivatives Financial Instruments
The Group has entered into foreign currency options to cover its exchange rate risks pertaining to its foreign currency borrowings.

The following table details the significant derivative financial instruments outstanding at the end of the reporting period.

Derivative Financial Instruments	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Foreign Currency Options	**Notional Value**	*Notional Value*
	Euro in Lakhs	*Euro in Lakhs*
	11.20	-
	Fair Value	*Fair Value*
	₹ in Lakhs	*₹ in Lakhs*
	(11.09)	-
Cross Currency Interest Rate Swap	**Notional Value**	*Notional Value*
	Euro in Lakhs	*Euro in Lakhs*
	156.69	-
	Fair Value	*Fair Value*
	₹ in Lakhs	*₹ in Lakhs*
	(298.96)	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

44.8 Fair Value Disclosures

₹ in Lakhs

a) Categories of Financial Instruments:	As at 31st Mar., 2019 FVTPL**	FVOCI***	Amortised Cost	*As at 31st Mar., 2018* *FVTPL***	*FVOCI****	*Amortised Cost*
Financial Assets						
Investments *	**2.56**	**219.21**	**3.92**	*77.85*	*271.58*	*3.91*
Loans	-	-	**3,655.26**	-	-	*3,751.52*
Cash and Bank Balances	-	-	**7,489.25**	-	-	*14,124.76*
Trade Receivables	-	-	**51,811.28**	-	-	*46,486.38*
Other Financial Assets	-	-	**4,586.83**	-	-	*8,222.51*
	2.56	**219.21**	**67,546.54**	*77.85*	*271.58*	*72,589.08*
Financial liabilities						
Borrowings	-	-	**86,749.06**	-	-	*1,03,492.20*
Trade Payables	-	-	**41,029.21**	-	-	*39,909.38*
Other Financial Liabilities	**310.05**	-	**42,767.15**	-	-	*37,352.04*
	310.05	-	**1,70,545.42**	-	-	*1,80,753.62*

* Excludes investment in equity shares of Joint ventures amounting to ₹ 7,850.20 lakhs (*Previous Year ₹ 7,676.73 lakhs*) accounted using equity method.

** Mandatorily measured at fair value in accordance with Ind AS 109.

*** Investments in equity instruments designated as such upon intial recognition in accordance with paragraph 5.7.5 of Ind AS 109.

These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Group has chosen to designate these investment in equity instruments at FVTOCI as it is belived that this provides a more meaningful presentation for medium or long term strategic investment that reflecting changes in fair value immediately in profit and loss account.

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	As at 31st Mar., 2019 Carrying value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
Investments					
Investments in Equity Instruments	**0.68**	-	-	**0.68**	**0.68**
Investments in Debentures	-	-	-	-	-
Investments in Mutual Funds	**1.88**	**1.88**	-	-	**1.88**
Measured at FVOCI					
Investments					
Investments in Equity Instruments	**219.21**	-	-	**219.21**	**219.21**

Financial Liabilities	As at 31st Mar., 2019 Carrying value	Level 1	Level 2	Level 3	Total
Other Financial Liabilities					
Derivatives accounted at FVTPL	**310.05**	-	**310.05**	-	**310.05**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

44.8 Fair value Disclosures

₹ in Lakhs

	As at 31st Mar., 2018				
Financial Assets	*Carrying value*	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL					
Investments					
Investments in Equity Instruments	*18.13*	*17.48*	*-*	*0.65*	*18.13*
Investments in Debentures	*57.81*	*-*	*-*	*57.81*	*57.81*
Investments in Mutual Funds	*1.91*	*1.91*	*-*	*-*	*1.91*
Measured at FVOCI					
Investments					
Investments in Equity Instruments	*271.58*	*3.22*	*-*	*268.36*	*271.58*

Note:
There are no transfers between level 1, level 2 and level 3 during the year.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2019 and 31st March, 2018.

₹ in Lakhs

	Total
As at 31st March, 2017	*235.76*
Fair value gain/ (loss) recognised in the Statement of Profit and Loss	*17.81*
Fair value gain/ (loss) recognised in Other Comprehensive Income	*95.76*
Purchases made during the year	*40.00*
Sales made during the year	*(62.51)*
As at 31st March, 2018	326.82
Fair value gain/ (loss) recognised in the Statement of Profit and Loss	(17.81)
Fair value gain/ (loss) recognised in Other Comprehensive Income	(89.16)
Purchases made during the year	0.03
Sales made during the year	-
As at 31st March, 2019	**219.88**

Other comprehensive income for the year, includes the gain of Nil (*Previous Year gain of ₹ 67.72 Lakhs*) on disposal of investment classified as fair value through OCI and the fair value of these investment on the date of sale was Nil. The board of directors decides on purchase/sales based on internal stratergies.

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable Inputs	**Relationship of unobservable Inputs to fair value**
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

d) Valuation Process

The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

1) the use of quoted market prices or dealer quotes for similar instruments.

2) All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

3) The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Group consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

45. Segment reporting

The Chief Operating Decision maker of the Group examines Group's performance both from a product and from a geographic perspective. From a product perspective, the management has identified five reportable segments at group level.

The Group has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Health, Hygiene, Safety Products and its services", "Engineering", "Real estate", "IT Enabled Services and Products" and "Shipping and Logistics Services" segment. The Group caters to the needs of the domestic and export markets.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Health, Hygiene, Safety Products and its services includes manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguisher etc.

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

IT Enabled Services and Products includes trading of Note courting machines, electronic cash register, point of sale machine, manufacturing of different types of kiosks, Forbes Xpress consisting of sale of mobile recharge, bill payments and money transfer, transaction network and services comprising of maintenance, servicing and support services for kiosks and other devices.

Shipping and Logistics Services segment carries on business of ship owners, charterers etc

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

(a) Information about primary business segments for the year:

₹ in Lakhs

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services	
	31st Mar., 2019	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*	**31st Mar., 2019**	*31st Mar., 2018*
Segment Revenue	**2,38,807.58**	*2,31,744.44*	**20,912.42**	*18,596.85*	**1,822.51**	*11,165.81*	**12,385.34**	*13,161.35*	**11,414.04**	*8,102.49*
Inter segment revenue	**34.98**	*27.01*	**-**	*-*	**96.74**	*81.11*	**-**	*-*	**-**	*-*
Revenue from operations	**2,38,842.56**	*2,31,771.45*	**20,912.42**	*18,596.85*	**1,919.25**	*11,246.92*	**12,385.34**	*13,161.35*	**11,414.04**	*8,102.49*
Segment Results	**5,753.44**	*2,940.38*	**2,672.45**	*2,356.63*	**332.67**	*4,556.67*	**4,837.77**	*101.20*	**207.23**	*24.41*
Segment Results - after exceptional items	**5,753.44**	*2,940.38*	**2,672.45**	*2,356.63*	**332.67**	*4,556.67*	**4,837.77**	*101.20*	**207.23**	*24.41*
Add: Unallocated income (net of unallocated expenses)										
Add: Share of profit of joint ventures										
Add: Exceptional items other than related to segments (net)										
Profit before tax and finance costs										
Less: Finance costs										
Profit /(Loss) before tax										
Provision for taxation:										
Tax expense (current & deferred)										
Profit /(Loss) for the year										
Capital employed										
Segment assets	**1,59,071.23**	*1,66,477.86*	**14,063.63**	*11,967.94*	**28,454.24**	*14,105.12*	**22,384.53**	*20,324.14*	**40,425.01**	*42,205.76*
Unallocated corporate assets										
Total assets	**1,59,071.23**	*1,66,477.86*	**14,063.63**	*11,967.94*	**28,454.24**	*14,105.12*	**22,384.53**	*20,324.14*	**40,425.01**	*42,205.76*
Segment liabilities	**1,50,043.76**	*1,59,259.44*	**4,297.31**	*4,394.88*	**32,664.43**	*8,537.10*	**3,464.38**	*2,955.65*	**27,420.47**	*27,245.67*
Unallocated corporate liabilities										
Total liabilities	**1,50,043.76**	*1,59,259.44*	**4,297.31**	*4,394.88*	**32,664.43**	*8,537.10*	**3,464.38**	*2,955.65*	**27,420.47**	*27,245.67*
Capital employed	**9,027.47**	*7,218.42*	**9,766.32**	*7,573.06*	**(4,210.19)**	*5,568.02*	**18,920.15**	*17,368.49*	**13,004.54**	*14,960.09*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**2,541.23**	*3,193.13*	**1,268.95**	*1,248.42*	**96.18**	*77.55*	**1,357.96**	*2,069.75*	**412.94**	*9,696.37*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress										
Total capital expenditure	**2,541.23**	*3,193.13*	**1,268.95**	*1,248.42*	**96.18**	*77.55*	**1,357.96**	*2,069.75*	**412.94**	*9,696.37*
Segment depreciation / amortisation/ impairment	**2,891.69**	*3,718.03*	**676.98**	*531.48*	**225.07**	*227.54*	**737.79**	*755.71*	**3,109.66**	*2,229.08*
Unallocated corporate depreciation / amortisation/ impairment										
Total depreciation / amortisation/ impairment	**2,891.69**	*3,718.03*	**676.98**	*531.48*	**225.07**	*227.54*	**737.79**	*755.71*	**3,109.66**	*2,229.08*
Non-cash segment expenses other than depreciation	**764.65**	*1,346.97*	**78.41**	*12.24*	**-**	*2.47*	**91.38**	*30.99*	**-**	*-*
Unallocated non-cash expenses other than depreciation										
Total non-cash expenses other than depreciation	**764.65**	*1,346.97*	**78.41**	*12.24*	**-**	*2.47*	**91.38**	*30.99*	**-**	*-*

(a) Information about primary business segments for the year:

₹ in Lakhs

Particulars	Others 31st Mar., 2019	Others 31st Mar., 2018	Total 31st Mar., 2019	Total 31st Mar., 2018	Elimination 31st Mar., 2019	Elimination 31st Mar., 2018	Total 31st Mar., 2019	Total 31st Mar., 2018
Segment Revenue	-	-	2,85,341.89	2,82,770.94	-	-	2,85,341.89	2,82,770.94
Inter segment revenue	33.15	102.30	164.87	210.42	(164.87)	(210.42)	-	-
Revenue from operations	33.15	102.30	2,85,506.76	2,82,981.36	(164.87)	(210.42)	2,85,341.89	2,82,770.94
Segment Results	(30.84)	(95.09)	13,772.72	9,884.20				
Segment Results - after exceptional items	(30.84)	(95.09)	13,772.72	9,884.20	-	-	13,772.72	9,884.20
Add: Unallocated income (net of unallocated expenses)							(3,435.72)	(1,680.73)
Add: Share of profit of joint ventures							721.30	940.66
Add: Exceptional items other than related to segments (net)							(970.92)	-
Profit before tax and finance costs							10,087.38	9,144.13
Less: Finance costs							8,937.60	9,555.96
Profit /(Loss) before tax							1,149.78	(411.83)
Provision for taxation:								
Tax expense (current & deferred)							1,448.26	2,809.05
Profit /(Loss) for the year							(298.48)	(3,220.88)
Capital employed								
Segment assets	16.02	24.84	2,64,414.66	2,55,105.66			2,64,414.66	2,55,105.66
Unallocated corporate assets							23,504.87	21,191.03
Total assets	16.02	24.84	2,64,414.66	2,55,105.66			2,87,919.53	2,76,296.69
Segment liabilities	2.34	4.56	2,17,892.69	2,02,397.30			2,17,892.69	2,02,397.30
Unallocated corporate liabilities							32,740.29	30,395.77
Total liabilities	2.34	4.56	2,17,892.69	2,02,397.30			2,50,632.98	2,32,793.07
Capital employed	13.68	20.28	46,521.97	52,708.36			37,286.55	43,503.62
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	-	-	5,677.26	16,285.22			5,677.26	16,285.22
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress							87.52	1,099.43
Total capital expenditure	-	-	5,677.26	16,285.22			5,764.78	17,384.65
Segment depreciation / amortisation/ impairment	-	-	7,641.19	7,461.84			7,641.19	7,461.84
Unallocated corporate depreciation / amortisation/ impairment							63.46	242.73
Total depreciation / amortisation/ impairment	-	-	7,641.19	7,461.84			7,704.65	7,704.57
Non-cash segment expenses other than depreciation	-	-	934.44	1,392.67			934.44	1,392.67
Unallocated non-cash expenses other than depreciation							40.23	7.53
Total non-cash expenses other than depreciation	-	-	934.44	1,392.67			974.67	1,400.20

(b) Geographical information

	Within India 31st Mar., 2019	Within India 31st Mar., 2018	Outside India 31st Mar., 2019	Outside India 31st Mar., 2018	Total 31st Mar., 2019	Total 31st Mar., 2018
Revenue	2,32,500.92	2,32,636.43	52,840.97	50,134.51	2,85,341.89	2,82,770.94
Non-Current Asset (excluding financial assets and tax assets)	40,293.56	23,140.59	88,216.71	1,04,365.11	1,28,510.27	1,27,505.70
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	5,764.78	17,384.65	-	-	5,764.78	17,384.65

(c) Information about major customer

No single customer contributed 10% or more to the group's revenue for the year ended 31st March, 2019 and 31st March, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

46. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures

Current Year

	Particulars								
		Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	Name of the Company	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
	Parent								
	Forbes & Company Limited	62.79	23,411.71	(344.00)	1,027.19	0.22	0.64	(95,554.32)	1,027.83
	Subsidiaries								
	Indian								
1	Eureka Forbes Limited	55.69	20,764.00	10,173.11	(30,364.60)	(21.86)	(65.02)	2,828,951.80	(30,429.62)
2	Forbes Facility Services Private Limited	2.66	990.50	(203.55)	607.55	(9.15)	(27.22)	(53,951.56)	580.33
3	Aquadiagnostics Water Research & Technology Center Limited	-	-	3.67	(10.94)	-	-	1,017.06	(10.94)
4	Forbes Enviro Solutions Limited	0.17	65.25	23.30	(69.55)	0.66	1.96	6,283.64	(67.59)
5	Euro Forbes Financial Services Limited	0.01	2.41	0.02	(0.05)	-		4.65	(0.05)
6	Volkart Fleming Shipping & Services Limited	1.54	573.84	(11.54)	34.43	-	-	(3,200.86)	34.43
7	Forbes Campbell Finance Limited	13.24	4,935.55	11.98	(35.75)	(502.18)	(1,493.51)	142,170.78	(1,529.26)
8	Forbes Campbell Services Limited	0.05	18.61	(0.58)	1.72	-	-	(159.90)	1.72
9	Forbes Technosys Limited	6.86	2,558.95	(3.64)	10.86	(2.56)	(7.60)	(303.07)	3.26
10	Shapoorji Pallonji Forbes Shipping Limited	38.76	14,453.75	396.47	(1,183.38)	-	-	110,015.34	(1,183.38)
11	Campbell Properties & Hospitality Services Limited	0.49	180.89	0.18	(0.53)	-	-	49.27	(0.53)
12	Aquaignis Technologies Private Limited	0.92	344.89	13.28	(39.65)	(0.25)	(0.74)	3,754.94	(40.39)
	Foreign								
1	EFL Mauritius Limited	45.87	17,102.24	2.95	(8.81)	230.57	685.72	(62,930.32)	676.91
2	Euro Forbes Limited, Dubai	(14.06)	(5,240.98)	6,602.78	(19,707.90)	(50.14)	(149.12)	1,846,048.44	(19,857.02)
3	Forbes Lux FZCO	(17.66)	(6,585.75)	259.03	(773.16)	(3.79)	(11.28)	72,927.07	(784.44)
4	Lux International AG (LIAG) Group	(10.04)	(3,745.20)	550.87	(1,644.22)	105.59	314.04	123,662.90	(1,330.18)
5	Forbes Lux International AG (FLIAG) Group	56.94	21,231.07	120.63	(360.07)	(608.41)	(1,809.43)	201,692.00	(2,169.50)
	Joint Ventures								
	Indian								
1	Forbes Bumi Armada Limited	1.75	651.68	(38.20)	114.01	-	(0.01)	(10,598.51)	114.00
2	Forbes Concept Hospitality Services Private Limited	0.02	6.33	0.12	(0.36)	-	-	33.47	(0.36)
3	Forbes Aquatech Limited	2.21	822.96	(50.65)	151.18	-	-	(14,054.76)	151.18
4	Infinite Water Solutions Private Limited	5.97	2,224.51	(109.48)	326.78	-	-	(30,379.77)	326.78
	Foreign								
1	AMC Cookware (Proprietary) Limited	11.12	4,146.26	(130.69)	390.07	-	-	(36,263.65)	390.07
	Adjustment/ elimination on consolidation	(194.59)	(72,549.82)	(17,499.34)	52,231.61	959.96	2,855.00	(5,121,239.10)	55,086.61
	Non-controlling Interest in all subsidiaries	29.29	10,922.90	333.28	(994.91)	1.34	3.97	92,124.46	(990.94)
	Total	100.00	37,286.55	100.00	(298.48)	100.00	297.40	100.00	(1.08)

* Percentage is below the rounding off norm adopted by Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Previous Year

	Particulars								
		Net Assets, i.e., total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	Name of the Company	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
	Parent								
	Forbes & Company Limited	64.03	27,855.75	(126.98)	4,090.01	0.10	2.74	(815.48)	4,092.75
	Subsidiaries								
	Indian								
1	Eureka Forbes Limited	112.06	48,749.70	418.21	(13,470.01)	1.54	41.90	2,675.55	(13,428.11)
2	Forbes Facility Services Private Limited	0.94	410.18	(3.28)	105.51	(0.72)	(19.46)	(17.15)	86.05
3	Aquadiagnostics Water Research & Technology Center Limited	0.34	147.90	(0.29)	9.22	(0.01)	(0.31)	(1.77)	8.91
4	Forbes Enviro Solutions Limited	0.31	132.84	4.13	(132.91)	0.11	2.91	25.90	(130.00)
5	Euro Forbes Financial Services Limited	0.01	2.46	0.01	(0.28)	-	-	0.05	(0.28)
6	Volkart Fleming Shipping & Services Limited	1.24	539.41	(1.24)	39.97	-	-	(7.96)	39.97
7	Forbes Campbell Finance Limited	14.86	6,464.80	0.81	(26.06)	81.36	2,212.10	(435.57)	2,186.04
8	Forbes Campbell Services Limited	0.04	16.88	(0.14)	4.61	-	-	(0.92)	4.61
9	Forbes Technosys Limited	3.66	1,591.44	38.28	(1,233.02)	(0.27)	(7.44)	247.16	(1,240.46)
10	Shapoorji Pallonji Forbes Shipping Limited	35.94	15,637.13	49.05	(1,579.74)	-	-	314.76	(1,579.74)
11	Campbell Properties & Hospitality Services Limited	0.42	181.41	(0.01)	0.20	-	-	(0.04)	0.20
	Foreign								
1	EFL Mauritius Limited	37.76	16,425.33	0.25	(8.20)	(343.12)	(9,329.34)	1,860.50	(9,337.54)
2	Euro Forbes Limited, Dubai	7.97	3,465.14	18.35	(591.10)	(9.27)	(251.99)	167.99	(843.09)
3	Forbes Lux FZCO	4.28	1,862.39	23.30	(750.58)	(6.26)	(170.11)	183.45	(920.69)
4	Lux International AG (LIAG) Group	(14.09)	(6,129.59)	204.07	(6,572.90)	37.89	1,030.26	1,104.37	(5,542.64)
5	Forbes Lux International AG (FLIAG) Group	53.79	23,400.58	458.83	(14,778.45)	9.09	247.07	2,895.38	(14,531.38)
	Joint Ventures								
	Indian								
1	Forbes Bumi Armada Limited	1.24	537.68	(1.78)	57.19	-*	0.02	(11.40)	57.21
2	Forbes Concept Hospitality Services Private Limited	0.02	6.69	(0.01)	0.29	-	-	(0.06)	0.29
3	Forbes Aquatech Limited	1.64	713.37	(3.12)	100.57	-	-	(20.04)	100.57
4	Infinite Water Solutions Private Limited	4.46	1,940.07	(9.55)	307.61	-	-	(61.29)	307.61
5	Aquaignis Technologies Private Limited	0.44	192.64	(0.23)	7.38	-	-	(1.47)	7.38
	Foreign								
1	AMC Cookware (Proprietary) Limited	9.83	4,276.66	(14.52)	467.62	-	-	(93.17)	467.62
	Adjustment/ elimination on consolidation	(268.60)	(1,16,839.93)	(993.78)	32,008.80	330.91	8,997.30	(8,170.45)	41,006.10
	Non-controlling Interest in all subsidiaries	27.41	11,922.69	39.64	(1,276.61)	(1.35)	(36.65)	261.66	(1,313.26)
	Total	100.00	43,503.62	100.00	(3,220.88)	100.00	2,719.00	100.00	(501.88)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related Party Disclosures

Name of the Related Parties and Description of Relationship:

(A) Holding Company

Shapoorji Pallonji & Company Private Limited

(B) Fellow Subsidiaries :(where there are transactions)

Afcons Infrastructure Limited
Armada Madura EPC Limited
Transtonnelstroy Afcons Joint Venture
Eureka Forbes Institute of Environment (Trust)
Forvol International Services Limited
Jaykali Developer Private Limited
Forbes Edumetry Limited
Gokak Textiles Limited
Gossip Properties Private Limited
M/s G.S. Enterprise
Joyville Shapoorji Housing Private Limited
Lucrative Properties Private Limited
Relationship Properties Private Limited
Samalpatti Power Company Private Limited
SD Corporation Private Limited
Shapoorji Pallonji Infrastructure Capital Company Private Limited
Shapoorji Pallonji Engineering and Construction Private Limited
Shapoorji Infrastructure Private Limited
Shapoorji Pallonji Finance Private Limited
Shapoorji Pallonji Oil & Gas Private Limited
M/s Sterling Motors
Sterling and Wilson Private Limited
SP Fabricators Private Limited
SP Armada Oil Exploration Private Limited
Paikar Real Estates Private Limited
Shapoorji Pallonji Rural Solutions Private Limited
United Motors (India) Private Limited

(C) Associate Companies:(where there are transactions)

Neuvo Consultancy Services Private Limited
Euro P2P Direct (Thailand) Co. Limited

(D) Joint Ventures :(where there are transactions)

Aquaignis Technologies Private Limited (Joint Venture of Eureka Forbes Limited)
Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)
Infinite Water Solutions Private Limited (Joint venture of Eureka Forbes Limited)

(E) Joint Ventures of Holding Company / Fellow Subsidiaries :(where there are transactions)

Shapoorji Pallonji Bumi Armada Offshore Limited
(formerly known as Forbes Bumi Armada Offshore Limited)
HPCL Shapoorji Energy Private Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

(F) Key Management Personnel :

1 Managing Director of Forbes & Company Limited, Mr. M. C. Tahilyani
2 Executive Vice Chairman of Eureka Forbes Limited, Mr. S.L. Goklaney (Upto 30th Sep., 2017)
3 Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff (w.e.f. 27th Jun., 2017)

Non Executive Directors	
Shapoor P.Mistry	Chairman
Jai L. Mavani	Non-Executive Director
Kaiwan D. Kalyaniwalla	Independent Director
D. Sivanandhan	Independent Director
Aslesha Gowariker	Independent Director (w.e.f. 30.06.2016 upto 06.12.2018)
Rani Jadhav	Independent Director (w.e.f. 01.09.2018)

(G) Post employment benefit plan

Forbes & Company Limited Employees Provident Fund
Eureka Forbes Limited Employees Gratuity Fund
Eureka Forbes Limited Employees Provident Fund
Eureka Forbes Limited Managing Staff Superannuation Scheme

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	998.70	34.38	434.24	5,769.94	-	-	7,237.26
2	Advances received from customer	-	2,024.69	-	-	-	-	2,024.69
3	Interest accrued	246.16	68.35	-	-	-	-	314.51
4	Trade Receivables	774.28	282.49	4,987.04	2.85	36.74	-	6,083.40
5	Contractually reimbursable expense	-	79.08	-	-	-	-	79.08
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	1,000.00
7	Long Term Loans and Advances	-	39.54	-	-	-	-	39.54
8	Provision for Doubtful Loans and Advances	-	39.54	1,613.93	-	-	-	1,653.47
9	Provision for Doubtful Trade Receivables	-	10.18	2,640.06	-	-	-	2,650.24
10	Unbilled Revenue	-	-	-	-	-	-	-
11	Deposits Payable	2,125.00	249.25	-	-	23.79	-	2,398.04
12	Other Payables	123.83	-	-	7.48	-	-	131.31
13	Deposits Receivable	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	3,107.71	-	3,107.71
17	Guarantees Taken	3,472.30	-	-	-	-	-	3,472.30
18	Advance for Supply of Goods and Services	76.58	60.04	2,587.68	-	-	-	2,724.30
	Transactions							
	Purchases / Services							
19	Purchase of Goods and Materials	-	-	-	7,278.02	-	-	7,278.02
20	Receiving of Services	8.10	0.61	-	-	-	-	8.71
21	Fixed Assets	-	-	-	-	-	-	-
22	Real Estate Developement Expenses	4,637.90	-	242.03	-	-	-	4,879.93
	Sales / Services							
23	Goods and Materials	421.15	147.30	1,307.94	202.43	-	-	2,078.82
24	Services Rendered	1,056.82	961.79	-	11.56	126.76	-	2,156.93
25	Fixed Assets / Investments/ Business	-	15,500.00	-	-	-	-	15,500.00
26	Sales of Flats	-	-	-	-	-	-	-
	Expenses							
27	Rent	0.89	-	-	-	-	-	0.89
28	Repairs and Other Expenses	226.92	5.45	-	53.96	-	-	286.33
29	CSR Contribution	-	113.00	-	-	-	-	113.00
30	Travelling and conveyance expenses	-	201.93	-	-	-	-	201.93
31	Management Fees	57.54	-	-	-	-	-	57.54
32	Legal and professional charges	113.69	-	-	-	-	-	113.69
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-
35	Dividend Paid	233.98	-	-	-	-	-	233.98
36	Interest Paid	103.29	219.38	-	-	-	-	322.67
37	Project Management Consultancy Expense	-	-	380.10	-	-	-	380.10
38	Brokerage and Commission Charges	-	-	162.90	-	-	-	162.90
39	Provision for doubtful loans and advances/Trade receivable	-	1.28	-	-	-	-	1.28
40	Remuneration	-	-	-	-	-	497.12	497.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)
Current Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
41	Miscellaneous expenses	0.26	61.73	-	-	-	47.40	109.39
42	Selling & Distribution Expenses	-	-	25.15	-	-	-	25.15
	Income							
43	Rent and Other Service Charges	17.93	160.06	-	38.49	104.52	-	321.00
44	Dividend	-	-	-	-	-	-	-
45	Interest Received	-	-	-	-	-	-	-
46	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-
47	Profit on sale of Business	-	84.90	-	-	-	-	84.90
48	Guarantee Commission	-	25.42	-	-	-	-	25.42
49	Miscellaneous Income	3.05	1.70	-	-	-	-	4.75
	Other Receipts							
50	Other Reimbursements (Receipts)	-	23.51	-	-	-	-	23.51
51	Other Reimbursements (Payments)	-	253.32	576.72	-	-	-	830.04
	Finance							
52	Inter-corporate deposits given	-	-	-	-	-	-	-
53	Inter-corporate deposits taken	2,180.00	-	-	-	-	-	2,180.00
54	Repayment of Deposits Taken	55.00	-	-	-	-	-	55.00
55	Deposit Given	-	-	-	-	-	-	-
56	Repayment of Deposits Given	-	-	-	-	-	-	-
57	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-
58	Redemption of Investment	-	-	-	-	-	-	-
59	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-
60	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-
61	Advances received from customers	-	323.87	-	-	-	-	323.87
62	Given on behalf of a Subsidiary	-	-	-	-	-	-	-
63	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-
64	Advance given during the year	-	1.28	-	-	-	-	1.28
65	Advances refunded to customer	-	185.52	-	-	-	-	185.52

For details of investments in associates and joint ventures refer Notes 9A and 9B

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
c) The Group has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infrastructure Limited	Armada Madura EPC Limited	Transtonnelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forbes Edumetry Limited	Forvol International Services Limited	Jaykali Developers Private Limited	Gokak Textiles Limited	Gossip Properties Private Limited	Joyville Shapoorji Housing Private Limited	Lucrative Properties Private Limited	Relationship Properties Private Limited	Samalpatti Power Company Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Infrastructure Capital Company Private Limited	Shapoorji Pallonji Engg & Construction Private Limited
	Balances																	
1	Trade Payables	998.70	-	-	-	-	-	***	-	-	-	-	-	-	-	***	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	246.16	-	-	-	-	-	-	-	-	-	-	68.35	-	-	-	-	-
4	Trade Receivables	774.28	***	-	-	***	-	***	-	***	-	***	-	***	***	***	***	-
5	Contractually reimbursable expense	-	-	-	-	-	-	***	-	***	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	39.54	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	***	-	-	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Deposits Payable	2,125.00	-	-	-	-	-	-	-	-	-	-	***	-	-	-	***	-
12	Other Payables	123.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	3,472.30	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Advance for Supply of Goods and Services	***	-	-	-	-	-	***	-	-	-	-	-	-	-	-	-	-
	Transactions																	
	Purchases / Services																	
19	Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Receiving of Services	8.10	-	-	-	-	-	***	-	-	-	-	-	-	-	-	-	-
21	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Real Estate Developement Expenses	4,637.90	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services																	
23	Goods and Materials	421.15	***	-	***	***	-	-	***	-	***	***	-	***	-	***	***	***
24	Services Rendered	1,056.82	527.84	***	***	***	-	***	-	-	-	***	-	***	***	***	***	-
25	Fixed Assets / Investments/ Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Sales of Flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses																	
27	Rent	0.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Repairs and Other Expenses	226.92	-	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-
29	CSR Contribution	-	-	-	-	113.00	-	-	-	-	-	-	-	-	-	-	-	-
30	Travelling and conveyance expenses	-	-	-	-	-	-	201.93	-	-	-	-	-	-	-	-	-	-
31	Management Fees	57.54	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Legal and professional charges	113.69	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

47. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infrastructure Limited	Armada Madura EPC Limited	Transtonnelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forbes Edumetry Limited	Forvol International Services Limited	Jaykali Developers Private Limited	Gokak Textiles Limited	Gossip Properties Private Limited	Joyville Shapoorji Housing Private Limited	Lucrative Properties Private Limited	Relationship Properties Private Limited	Samalpatti Power Company Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Infrastructure Capital Company Private Limited	Shapoorji Pallonji Engg & Construction Private Limited
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Dividend Paid	233.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Interest Paid	103.29	-	-	-	-	-	-	-	-	-	-	***	-	-	-	-	-
37	Project Management Consultancy Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	1.28	-	-	-	-	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Miscellaneous expenses	***	-	-	-	-	-	60.55	-	***	-	-	-	-	-	-	-	-
42	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income																	
43	Rent and Other Service Charges	***	39.60	-	-	-	-	***	-	***	-	-	-	-	-	-	***	-
44	Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Profit on sale of Business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
48	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Miscellaneous Income	3.05	-	-	-	-	-	-	-	***	-	-	1.69	-	-	-	-	-
	Other Receipts																	
50	Other Reimbursements (Receipts)	-	16.17	-	-	-	-	***	-	-	-	-	-	-	-	-	-	-
51	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance																	
52	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Inter-corporate deposits taken	2,180.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
54	Repayment of Deposits Taken	55.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
62	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Advance given during the year	-	-	-	-	-	1.28	-	-	-	-	-	-	-	-	-	-	-
65	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-	-	185.52	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		B	B	B	B	B	B	B	B	C	C	D	D	E	E	F	F	F
		Shappoorji Infrastructure Private Limited	Shapoorji Pallonji Finance Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling Motors	Sterling and Wilson Private Limited	SP Armada Oil Exploration Private Limited	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)	Infinite Water Solutions PrivateLimited (Joint venture of Eureka Forbes Limited)	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. M. C. Tahilyani	Shapoor P Mistry	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
	Balances																	
1	Trade Payables	-	-	-	-	-	-	-	-	***	-	1,421.10	4,348.84	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	2,024.69	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	***	***	-	***	-	***	-	-	4,987.04	***	***	***	***	-	-	-
5	Contractually reimbursable expense	-	-	71.34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	1,613.93	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	***	-	-	-	-	2,640.06	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Deposits Payable	-	-	***	-	-	-	-	-	-	-	-	-	***	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-	-	-	***	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-	3,107.71	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Advance Received for Supply of Goods and Services	-	-	***	-	-	-	-	-	-	2,587.68	-	-	-	-	-	-	-
	Transactions																	
	Purchases / Services																	
19	Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-	-	2,457.08	4,820.95	-	-	-	-	-
20	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Real Estate Developement Expenses	-	-	-	-	-	-	-	-	***	-	-	-	-	-	-	-	-
	Sales / Services																	
23	Goods and Materials	***	-	***	***	***	-	-	-	-	1,307.94	***	***	-	-	-	-	-
24	Services Rendered	-	***	***	-	***	***	-	-	-	-	***	***	***	***	-	-	-
25	Fixed Assets / Investments/ Business	-	-	-	-	-	-	15,500.00	-	-	-	-	-	-	-	-	-	-
26	Sales of Flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses																	
27	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		B	B	B	B	B	B	B	B	C	C	D	D	E	E	F	F	F
		Shapoorji Infrastructure Private Limited	Shapoorji Pallonji Finance Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling Motors	Sterling and Wilson Private Limited	SP Armada Oil Exploration Private Limited	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)	Infinite Water Solutions Private Limited (Joint venture of Eureka Forbes Limited)	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. M. C. Tahilyani	Shapoor P Mistry	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
28	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-	53.96	-	-	-	-	-	-
29	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Project Management Consultancy Expense	-	-	-	-	-	-	-	-	380.10	-	-	-	-	-	-	-	-
38	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	162.90	-	-	-	-	-	-	-	-
39	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225.01	-	272.11
41	Miscellaneous expenses	-	-	-	-	***	-	-	-	-	-	-	-	-	-	***	13.30	-
42	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	25.15	-	-	-	-	-	-	-
	Income																	
43	Rent and Other Service Charges	-	-	105.00	-	-	-	-	-	-	-	***	32.65	100.31	***	-	-	-
44	Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
46	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
47	Profit on sale of Business	-	-	-	-	-	-	84.90	-	-	-	-	-	-	-	-	-	-
48	Guarantee Commission	-	-	25.42	-	-	-	-	-	-	-	-	-	-	-	-	-	-
49	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts																	
50	Other Reimbursements (Receipts)	-	-	-	-	-	-	5.28	-	-	-	-	-	-	-	-	-	-
51	Other Reimbursements (Payments)	-	-	-	-	-	-	253.32	-	576.72	-	-	-	-	-	-	-	-
	Finance																	
52	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
53	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		B	B	B	B	B	B	B	B	C	C	D	D	E	E	F	F	F
		Shap-poorji Infra-struc-ture Pri-vate Limit-ed	Shapoorji Pallonji Finance Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling Motors	Sterling and Wilson Private Limited	SP Arma-da Oil Ex-plo-ration Pri-vate Limit-ed	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Con-sul-tancy Service Lim-ited	Euro P2P Direct (Thai-land) Co.Lim-ited	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)	Infinite Water Solutions Pri-vateLim-ited (Joint venture of Eureka Forbes Limited)	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Bumi Armada Offshore Limited	Man-aging Direc-tor, Mr. M. C. Tahily-ani	Shapoor P Mistry	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
54	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
55	Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
56	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
57	Purchase of Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	Redemption of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
59	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
60	Cancellation of Equity Share on account of Capital Reduction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
61	Advances received from customers	-	-	-	-	-	-	-	323.87	-	-	-	-	-	-	-	-	-
62	Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
63	Given on behalf of the Company by Holding Company	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
64	Advance given during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
65	Advances refunded to customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	432.23	8.11	211.64	4,121.52	-	-	4,773.50
2	Advances received from customer	-	122.12	-	0.59	-	-	122.71
3	Interest accrued	1,014.73	45.85	-	-	-	-	1,060.58
4	Trade Receivables	246.74	480.63	-	1.53	17.37	-	746.27
5	Contractually reimbursable expense	73.17	76.98	-	-	-	-	150.15
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	1,000.00
7	Long Term Loans and Advances	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	10.18	-	-	-	-	10.18
10	Unbilled Revenue	-	456.35	-	-	-	-	456.35
11	Deposits Payable	-	249.25	-	7.51	23.79	-	280.55
12	Other Payables	66.29	-	-	-	-	-	66.29
13	Deposits Receivable	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	2,906.42	-	2,906.42
17	Guarantees Taken	3,247.40	-	-	-	-	-	3,247.40
	Transactions							
	Purchases / Services							
18	Purchase of Goods and Materials	-	-	187.28	8,615.13	-	-	8,802.41
19	Receiving of Services	38.92	5.58	-	-	-	-	44.50
20	Fixed Assets	0.50	-	-	-	-	-	0.50
	Sales / Services							
21	Goods and Materials	355.11	143.69	-	382.96	-	-	881.76
22	Services Rendered	211.67	1,819.99	-	18.42	133.19	-	2,183.27
23	Fixed Assets / Investments	-	-	-	-	-	-	-
24	Sales of Flats	-	-	-	-	-	-	-
	Expenses							
25	Rent	2.90	-	-	-	-	2.75	5.65
26	Repairs and Other Expenses	-	-	-	-	-	-	-
27	CSR Contribution	-	200.22	-	-	-	-	200.22
28	Travelling and conveyance expenses	-	192.18	-	-	-	-	192.18
29	Management Fees	51.01	-	-	-	-	-	51.01
30	Legal and professional charges	88.64	-	-	-	-	-	88.64
31	Transportation, freight, handling and other charges	-	-	-	-	-	-	-
32	Recovery of Expenses	720.91	-	-	-	-	-	720.91
33	Dividend Paid	233.98	-	-	-	-	-	233.98
34	Interest Paid	26.95	198.05	-	-	-	-	225.00
35	Real estate development expenses	3,576.07	-	296.13	-	-	-	3,872.20

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
36	Brokerage and Commission Charges	-	-	126.91	-	-	-	126.91
37	Provision for doubtful loans and advance / Trade receivable	-	-	-	-	-	-	-
38	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-
39	Remuneration	-	-	-	-	-	474.28	474.28
40	Miscellaneous expenses	2.24	6.33	-	15.35	-	-	23.92
	Income							
41	Rent and Other Service Charges	31.12	173.78	-	63.37	95.17	-	363.44
42	Dividend	-	-	-	50.00	-	-	50.00
43	Interest Received	-	-	-	-	-	-	-
44	Profit on sale / Diminution in the value of Investments / Sale of Assets	0.50	-	-	-	-	-	0.50
45	Guarantee Commission	-	25.27	-	-	-	-	25.27
46	Miscellaneous Income	2.02	0.04	-	4.38	-	-	6.44
	Other Receipts							
47	Other Reimbursements	-	25.06	109.62	72.14	-	-	206.82
	Finance							
48	Inter-corporate deposits given	-	-	-	-	-	-	-
49	Inter-corporate deposits taken	30.00	-	-	-	-	-	30.00
50	Repayment of Deposits Taken	30.00	-	-	-	-	-	30.00
51	Advances received from customers	-	1,295.77	-	-	-	-	1,295.77

For details of investments in associates and joint ventures refer Notes 9A and 9B

Terms and conditions:-

a) *All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.*

b) *All related party transactions entered during the year were in ordinary course of business and on arms length basis.*

c) *The Group has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.*

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infrastructure Limited	Transtonnelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forvol International Services Limited	Gokak Textiles Limited	G.S. Enterprise	Joyville Shapoorji Housing	Lucrative Properties Private Limited	Relationship Properties Private Limited
	Balances										
1	Trade Payables	***	-	-	-	***	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	97.71	-
3	Interest accrued	1,014.73	-	-	-	-	-	-	-	***	-
4	Trade Receivables	246.74	159.55	-	-	***	***	176.54	***	-	***
5	Contractually reimbursable expense	73.17	-	-	-	27.30	***	-	-	-	-
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	421.17	-
11	Deposits Payable	-	-	-	-	-	-	-	-	200.00	-
12	Other Payables	66.29	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	3,247.40	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
18	Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-	-
19	Receiving of Services	38.92	-	-	-	5.58	-	-	-	-	-
20	Fixed Assets	0.50	-	-	-	-	-	-	-	-	-
	Sales / Services										
21	Goods and Materials	355.11	***	***	-	-	-	-	***	-	***
22	Services Rendered	***	568.88	***	-	-	-	-	***	509.27	***
23	Fixed Assets / Investments	-	-	-	-	-	-	-	-	-	-
24	Sales of Flats	-	-	-	-	-	-	-	-	-	-
	Expenses										
25	Rent	2.90	-	-	-	-	-	-	-	-	-

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infrastructure Limited	Transtonnelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forvol International Services Limited	Gokak Textiles Limited	G.S. Enterprise	Joyville Shapoorji Housing	Lucrative Properties Private Limited	Relationship Properties Private Limited
26	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-
27	CSR Contribution	-	-	-	200.22	-	-	-	-	-	-
28	Travelling and conveyance expenses	-	-	-	-	192.18	-	-	-	-	-
29	Management Fees	51.01	-	-	-	-	-	-	-	-	-
30	Legal and professional charges	88.64	-	-	-	-	-	-	-	-	-
31	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-
32	Recovery of Expenses	720.91	-	-	-	-	-	-	-	-	-
33	Dividend Paid	233.98	-	-	-	-	-	-	-	-	-
34	Interest Paid	26.95	-	-	-	-	-	173.56	-	24.50	-
35	Real estate development expenses	3,576.07	-	-	-	-	-	-	-	-	-
36	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	-
37	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-
38	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-
39	Remuneration	-	-	-	-	-	-	-	-	-	-
40	Miscellaneous expenses	***	-	-	-	-	***	-	-	-	-
	Income										
41	Rent and Other Service Charges	***	59.40	-	-	***	***	-	-	-	-
42	Dividend	-	-	-	-	-	-	-	-	-	-
43	Interest Received	-	-	-	-	-	-	-	-	-	-
44	Profit on sale / Diminution in the value of Investments / Sale of Assets	0.50	-	-	-	-	-	-	-	-	-
45	Guarantee Commission	-	-	-	-	-	-	-	-	-	-
46	Miscellaneous Income	2.02	-	-	-	-	***	-	-	-	-
	Other Receipts										
47	Other Reimbursements	-	23.59	-	-	***	-	-	-	-	23.59
	Finance										
48	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-
49	Inter-corporate deposits taken	30.00	-	-	-	-	-	-	-	-	-
50	Repayment of Deposits Taken	30.00	-	-	-	-	-	-	-	-	-
51	Advances received from customers	-	-	-	-	-	-	-	-	185.52	-

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ in Lakhs

		B	B	B	B	B	B	B	B	B
		Samalpatti Power Company Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Infrastructure Capital Company Private Limited	Shapoorji Pallonji Finance Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Shapoorji Pallonji Rural Solutions Private Limited	United Motors (India) Private Limited
	Balances									
1	Trade Payables	-	***	-	-	-	-	-	***	-
2	Advances received from customer	-	-	-	-	***	-	-	-	24.37
3	Interest accrued	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	81.86	***	***	***	***	-	***	-
5	Contractually reimbursable expense	-	-	-	-	42.65	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	10.18	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	***
11	Deposits Payable	-	-	***	-	48.25	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	-	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-
	Transactions									
	Purchases / Services									
18	Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-
19	Receiving of Services	-	-	-	-	-	-	-	-	-
20	Fixed Assets	-	-	-	-	-	-	-	-	-
	Sales / Services									
21	Goods and Materials	-	***	-	-	***	***	-	***	-
22	Services Rendered	-	***	***	***	***	***	-	-	501.97
23	Fixed Assets / Investments	-	-	-	-	-	-	-	-	-
24	Sales of Flats	-	-	-	-	-	-	-	-	-
	Expenses									
25	Rent	-	-	-	-	-	-	-	-	-
26	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-
27	CSR Contribution	-	-	-	-	-	-	-	-	-
28	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ in Lakhs

		B	B	B	B	B	B	B	B	B
		Samalpatti Power Company Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Infrastructure Capital Company Private Limited	Shapoorji Pallonji Finance Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Shapoorji Pallonji Rural Solutions Private Limited	United Motors (India) Private Limited
29	Management Fees	-	-	-	-	-	-	-	-	-
30	Legal and professional charges	-	-	-	-	-	-	-	-	-
31	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-
32	Recovery of Expenses	-	-	-	-	-	-	-	-	-
33	Dividend Paid	-	-	-	-	-	-	-	-	-
34	Interest Paid	-	-	-	-	-	-	-	-	-
35	Real estate development expenses	-	-	-	-	-	-	-	-	-
36	Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-
37	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-
38	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-
39	Remuneration	-	-	-	-	-	-	-	-	-
40	Miscellaneous expenses	-	6.10	-	-	-	-	-	-	-
	Income									
41	Rent and Other Service Charges	-	-	***	-	96.91	-	***	-	-
42	Dividend	-	-	-	-	-	-	-	-	-
43	Interest Received	-	-	-	-	-	-	-	-	-
44	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-
45	Guarantee Commission	-	-	-	-	25.27	-	-	-	-
46	Miscellaneous Income	-	-	-	***	***	-	-	-	-
	Other Receipts									
47	Other Reimbursements	-	-	***	-	-	-	-	-	-
	Finance									
48	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-
49	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-
50	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-
51	Advances received from customers	-	-	-	-	-	-	-	-	1,110.25

47. Related party disclosures (contd.)

Previous Year

(b) *transactions/ balances with above mentioned related parties*

₹ in Lakhs

		C	D	D	D	E	E	F	F	F
		Neuvo Consultancy Service Limited	*Aquaignis Technologies Private Limited*	*Forbes Aquatech Limited*	*Infinite Water Solutions Private Limited*	*HPCL Shapoorji Energy Pvt Ltd*	*Shapoorji Pallonji Bumi Armada Offshore Limited*	*Managing Director, Mr. M. C. Tahilyani*	*Executive Vice Chairman, Mr. S. L. Goklaney (upto 30.09.2017)*	*Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)*
	Balances									
1	Trade Payables	***	***	1,223.40	2,829.89	-	-	-	-	-
2	Advances received from customer	-	-	-	***	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	***	***	***	***	***	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-
7	Long Term Loans and Advances	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-
10	Unbilled Revenue	-	-	-	-	-	-	-	-	-
11	Deposits Payable	-	-	-	***	***	-	-	-	-
12	Other Payables	-	-	-	-	-	-	-	-	-
13	Deposits Receivable	-	-	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	-	2,906.42	-	-	-
17	Guarantees Taken	-	-	-	-	-	-	-	-	-
	Transactions									
	Purchases / Services									
18	Purchase of Goods and Materials	***	***	2,778.47	5,140.24	-	-	-	-	-
19	Receiving of Services	-	-	-	-	-	-	-	-	-
20	Fixed Assets	-	-	-	-	-	-	-	-	-
	Sales / Services									
21	Goods and Materials	-	***	370.93	***	-	-	-	-	-
22	Services Rendered	-	***	***	***	***	***	-	-	-
23	Fixed Assets / Investments	-	-	-	-	-	-	-	-	-
24	Sales of Flats	-	-	-	-	-	-	-	-	-
	Expenses									
25	Rent	-	-	-	-	-	-	-	2.75	-
26	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-
27	CSR Contribution	-	-	-	-	-	-	-	-	-
28	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-

47. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		C	D	D	D	E	E	F	F	F
		Neuvo Consultancy Service Limited	Aquaignis Technologies Private Limited	Forbes Aquatech Limited	Infinite Water Solutions Private Limited	HPCL Shapoorji Energy Pvt Ltd	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. M. C. Tahilyani	Executive Vice Chairman, Mr. S. L. Goklaney (upto 30.09.2017)	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
29	Management Fees	-	-	-	-	-	-	-	-	-
30	Legal and professional charges	-	-	-	-	-	-	-	-	-
31	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-
32	Recovery of Expenses	-	-	-	-	-	-	-	-	-
33	Dividend Paid	-	-	-	-	-	-	-	-	-
34	Interest Paid	-	-	-	-	-	-	-	-	-
35	Real estate development expenses	***	-	-	-	-	-	-	-	-
36	Brokerage and Commission Charges	126.91	-	-	-	-	-	-	-	-
37	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-
38	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-
39	Remuneration	-	-	-	-	-	-	203.33	164.52	106.43
40	Miscellaneous expenses	-	***	15.20	-	-	-	-	-	-
	Income									
41	Rent and Other Service Charges	-	***	-	***	95.17	-	-	-	-
42	Dividend	-	-	50.00	-	-	-	-	-	-
43	Interest Received	-	-	-	-	-	-	-	-	-
44	Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-
45	Guarantee Commission	-	-	-	-	-	-	-	-	-
46	Miscellaneous Income	-	0.75	3.52	-	-	-	-	-	-
	Other Receipts									
47	Other Reimbursements	109.62	***	26.35	32.70	-	-	-	-	-
	Finance									
48	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-
49	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-
50	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-
51	Advances received from customers	-	-	-	-	-	-	-	-	-

47. Related party disclosures (contd.)

Parties in F :
Key Managerial Personnel Remuneration

₹ In Lakhs

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Short-term employee benefits	**479.44**	*349.97*
Post-employment benefits	**4.59**	*4.44*
Long-term employee benefits	**13.09**	*119.87*
	497.12	*474.28*

Directors Sitting Fees:

₹ In Lakhs

Name	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Kaiwan D. Kalyaniwalla	**9.00**	*6.00*
D. Sivanandhan	**8.00**	*6.50*
Aslesha Gowariker	**1.00**	*3.00*
Shapoor P. Mistry	**13.30**	*9.40*
Jai L. Mavani	**3.50**	*3.60*
M. C. Tahilyani	**10.60**	*7.60*
Rani Jadhav	**2.00**	-
Total	**47.40**	*36.10*

Parties in G:
Contribution to Post Employment Benefit Plan:

₹ In Lakhs

Particulars	Year ended 31st Mar., 2019	*Year ended 31st Mar., 2018*
Forbes & Company Limited Employees Provident Fund	**90.27**	*84.52*
Eureka Forbes Limited Employees Gratuity Fund	**157.66**	*139.44*
Eureka Forbes Limited Employees Provident Fund	**206.09**	*181.41*
Eureka Forbes Limited Managing Staff Superannuation Scheme	**127.72**	*123.45*
	581.74	*528.82*

48 Forbes Technosys Limited (FTL), a wholly owned subsidiary, had issued 1,00,00,000, 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of ₹ 10 each in an earlier year outside the Group . The Preference Shares shall be redeemable at par upon the expiry of 20 Years from date of allotment. The Preference Shares shall have right to dividend with Equity shareholders up to 8% after dividend of 0.1% has been paid to Equity shareholders and has voting right only for matters which directly affects the rights attached to Preference shares. Details of the same are as below:

₹ In Lakhs

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Proceeds from issue	**1,000.00**	*1,000.00*
Liability component at the date of issue	**105.58**	*105.58*
Equity Component	**894.42**	*894.42*
Liability Component (included in "Non-current borrowing" (refer Note 19)	**105.58**	*105.58*
Interest accrued as at the beginning of the year	**147.30**	*120.37*
Interest charged calculated at an effective interest rate	**14.64**	*26.93*
Interest paid	-	-
Interest accrued as at the end of the year (included in "Non-current borrowing" (refer Note 19)	**161.94**	*147.30*

49 Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 0%, 92,700,000 Redeemable Preference Shares of ₹ 10 each to the promoters on right basis in 2009 and 2010. Since no terms for redemption have been specified for these shares, they will be redeemed at par not later than 20 years from the date of issue as per the provisions of section 55 of the Companies Act, 2013 (erstwhile section 80 of the Companies Act, 1956).

Date of Allotment	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	1,86,00,000	12-Aug-29	Redeemable at par
06-Nov-09	2,40,00,000	06-Nov-29	Redeemable at par
22-Mar-10	3,16,50,000	22-Mar-30	Redeemable at par
02-Jul-10	1,84,50,000	02-Jul-30	Redeemable at par
	9,27,00,000		

The said shares shall in the event of winding up, be entitled to rank as regards repayment of capital, in priority to equity shares but shall not be entitled to any further participation in profits or assets. The voting rights of the shareholders shall be in accordance with the provisions of section 47 of the Companies Act, 2013 (erstwhile section 87 of the Companies Act, 1956).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

As the redeemable preference shares were issued at zero coupon, the same have been recognised at fair value being the present value of all future cash flows discounted using the prevailing rate of interest for a similar instrument, namely 12%, with a similar credit rating. The difference between the fair value of the said financial instrument as on the issue date and its fair value adjusted for amortisation of interest cost upto the date of transition have been recognised in Other Equity as on the date of transition.

₹ In Lakhs

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Proceeds of issue	**9,270.00**	*9,270.00*
Liability component at the date of issue	**959.50**	*959.50*
Equity Component (Classified as Non-Controlling Interest)	**8,310.50**	*8,310.50*
Liability Component (included in "Non-current borrowing" (refer Note 19)	**959.50**	*959.50*
Interest accrued as at the beginning of the year	**1,470.28**	*1,209.94*
Interest charged calculated at an effective interest rate	**291.57**	*260.34*
Interest paid	-	-
Interest accrued as at the end of the year (included in "Non-current borrowing" (Refer Note 19)	**1,761.85**	*1,470.28*

50 Non-controlling interests

Set out below is summarised financial information for subsidiaries that has non-controlling interests that are material to the Group. The amounts disclosed below are before intercompany eliminations:

₹ in Lakhs

	Shapoorji Pallonji Forbes Shipping Limited	
Summarised Balance Sheet	**31st March, 2019**	*31st March, 2018*
Current Assets	**1,897.40**	*1,790.58*
Current Liabilities	**5,430.66**	*3,231.77*
Net Current Assets	**(3,533.26)**	*(1,441.19)*
Non-Current Assets	**40,887.82**	*41,906.09*
Non-Current Liabilities	**22,900.81**	*24,827.77*
Net Non-Current Assets	**17,987.01**	*17,078.32*
Net Assets	**14,453.75**	*15,637.13*
Accumulated Non-Controlling Interest	**10,840.31**	*11,727.85*

₹ in Lakhs

	Shapoorji Pallonji Forbes Shipping Limited	
Summarised Statement of Profit and Loss	**31st March, 2019**	*31st March, 2018*
Total Revenue	**11,750.38**	*8,227.41*
Profit/(Loss) after tax for the year	**(1,183.38)**	*(1,579.74)*
Other Comprehensive Income / (Loss)	-	-
Total Comprehensive Income	**(1,183.38)**	*(1,579.74)*
Profit/ (Loss) allocated to Non-Controlling Interest	**(887.54)**	*(1,184.81)*

₹ in Lakhs

	Shapoorji Pallonji Forbes Shipping Limited	
Summarised Statement of Cash Flow	**31st March, 2019**	*31st March, 2018*
Cash flow from operating activities	**5,277.73**	*1,393.43*
Cash flow from investing activities	**(1,130.65)**	*(6,813.12)*
Cash flow from financing activities	**(4,046.24)**	*4,321.06*
Net increase/ (decrease) in cash and cash equivalents	**100.84**	*(1,098.63)*

51 As per Indian Accounting Standard 18 and Schedule III of the Companies Act, 2013, Revenue from Operations for the period July 1, 2017 to March 31, 2018 does not include Goods and Service Tax (GST), however Revenue from Operations till the period ended June 30, 2017 includes Excise Duty. In view of the aforesaid restructuring of indirect taxes, Revenue from Operations for the year ended March 31, 2018 are not comparable with previous year.

52 The Group had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai towards principal and interest towards loan given to Coromandel Garments Limited (presently under liquidation).

The Group had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016. The Management, based on the belief that it was a remote future possibility that ₹ 1,017.04 Lakhs would become refundable upon the final outcome of this matter, accounted for the receipt as explained above.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai directed the Group to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Group refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.79 Lakhs] and recorded this as an exceptional expense. The Group has subsequently been directed by the Hon'ble High Court to pay interest from the date the amount was received by the Group, which has been appealed against by the Group.

The Group has separately filed its Affidavit of Claim for ₹ 325.00 Lakhs along with interest at the bank rate with the Official Liquidator. However, since this filing was beyond the time period of filing affidavit, the Group was directed by the Official Liquidator to file for condonation of delay with the High Court. The Hon'ble High Court vide Order dated 8th April, 2019 condoned the delay in filing of the claim before the Official Liquidator and directed the Official Liquidator to adjudicate the claim within a period of six months.

53 During the year, the Group has not defaulted in payment of its interest and principal that are due on borrowings. There were breaches in maintaining some of the financial ratios. Outstanding amount as at the year-end in respect of such borrowings amounted to ₹ 21,570.89 lakhs (Previous Year ₹ 26,532.67 lakhs) . As at the financial year-end and till the date of approval of the financial statements by the Board of Directors, the lender has not demanded for any accelerated repayment of borrowings and the terms of borrowings were not changed.

54 Goodwill on consolidation

Goodwill arising on consolidation is attributed to the acquisition of Lux International AG, which is the cash generating unit (CGU) for this goodwill, being the difference between the consideration paid and the net asset value of the acquired company. Goodwill pertaining to the CGU is as follows -

₹ in Lakhs

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Goodwill on consolidation	**49,840.03**	*47,742.19*

The main operations of the CGU is spread across Europe and parts of Latin America. The carrying amount of the goodwill has been tested for impairment based on the business projections of each geography where the operations are based and cash flows arising out of the projections covering a 5 year period. The Company believes this to be the most appropriate timescale for reviewing and considering annual performance before discounting the cashflows and arriving at the terminal value.

The movement in the goodwill is as follows -

₹ in Lakhs

Balance as on 1st April 2017	43,935.01
Effect of Foreign Exchange Differences	3,092.00
Additional goodwill on account of business combination	889.59
Less : Impairment	(174.41)
Balance as on 31st March 2018	**47,742.19**
Effect of Foreign Exchange Differences	**2,088.17**
Additional goodwill on account of business combination (refer note 67)	**9.67**
Less : Impairment	**-**
Balance as on 31st March 2019	**49,840.03**

The Group believes that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Key Assumptions used in the calculation of impairment testing are as follows -

	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Average net sales growth rate for the 5 year period - Core business	**10%**	*10%*
Discount rate Average of all geographies	**8% to 13%**	*8.9% to 13.02%*

Discount Rates - Management estimates discount rates that reflect the current market assessments of the risk specific to the geography of the CGU taking into consideration the time value of money and risks. The discount rates are derived from the weighted average cost of capital (WACC).

Growth rates - Management determines the growth rate based on the past performance of the CGU in the respective geography and its expectations on the market development.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

55 Details of costs and revenue in respect of Project in progress for the year ended 31st March 2018:

Methods used to determine the project revenue : Percentage Completion Method

Methods used to determine the stage of completion : The proportion that Project costs incurred for work performed upto the balance sheet date bear to the estimated total project costs.

	₹ in Lakhs
	2017-18
Project revenue recognised during the year	*9,516.53*
Aggregate of Project cost incurred upto the reporting date	*11,163.27*
Profit recognised upto reporting date	*7,000.86*
Advance received for projects in progress as at the reporting date (net of revenue recognised)	*185.45*
Amount of work in progress and the value of inventories as at the reporting date	*5,586.14*
Unbilled revenue	*4,544.71*

(Unbilled revenue represents future instalment receivable from customers based on revenue recognised till Balance Sheet date)

56 The real estate development operations under "Project Vicinia" was being executed at a plot of land situated at Chandivali, Mumbai as per the terms of the development agreement between the Company and Videocon Realty and Infrastructure Limited ("VRIL") forming part of the consent terms filed with the Hon'ble Bombay High Court in 2011 for the then existing dispute. Subject to compliance with the terms of the said development agreement, VRIL was entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index in Project Vicinia.

During the current year, considering delays in making critical payments by VRIL, to protect the interests of all stakeholders including the Company and purchasers of individual flats, the Company terminated the aforesaid development agreement. Consequently the matter was referred to arbitration and vide the arbitration award dated 25th February, 2019 the Company was directed to pay an amount of ₹ 15,300.00 Lakhs to VRIL for restitution and that on payment of aforesaid amount, VRIL would have no interest, rights, title or any claim in respect of Project Vicinia.

Additionally, the Company entered into a Business Transfer Agreement ("BTA") with Paikar Real Estates Private Limited (hereinafter known as "PREPL"), (a fellow subsidiary) dated 27th February, 2019 to transfer 50% interest in the aforesaid real estate development project (which the Company got through restitution), by way of slump sale on an as-is-where-is basis as a going concern for an aggregate consideration of ₹ 15,500.00 Lakhs. The board of directors and shareholders' approved this transaction with PREPL on 27th February, 2019 and 29th March, 2019 respectively. As per the terms of BTA, the Company did not have ability to control or rights to variable returns over VRIL's interest in the Project Vicinia which the Company got pursuant to the arbitration award.

Subsequently, on receipt of the consideration from PREPL, the Company made payment of ₹ 15,300.00 Lakhs to VRIL on 2nd March, 2019 as per terms stated in the arbitration award and consequently, VRIL's interest in the development agreement was transferred to PREPL.

The Company and PREPL are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the specified land being developed.

Pursuant to the aforesaid transaction, the Company incurred legal and administrative costs aggregating ₹ 115.10 Lakhs which have been netted off against the gain on the aforesaid transfer and reflected the net gain on this transaction, aggregating ₹ 84.90 Lakhs as an exceptional item during the year ended 31st March, 2019.

57 Svadeshi Mills is not considered as a related party of the Group as per Note 3.1.1. Secured Loans include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2019 (31st March, 2018 ₹ 4,391.78 Lakhs) granted to The Svadeshi Mills Company Limited. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

58 During previous year the Group has changed its estimate for determining the residual value for ships from 5% of original cost to scrap rate per light displacement tonnage of the ships. The change in estimate has been made to ensure realistic reflection of residual value based on market and industry specific conditions. On account of this change, depreciation on ships is lower for the year by ₹190.00 lakhs. Further, this change would also have an impact in future years.

59 The Board of Directors of the Company has recommended a dividend of ₹ 2.50 (25%) per equity share for the year ended 31st March, 2019 and an additional Special Centenary Year Dividend of ₹ 2.50 (25%) per equity share. There is no other material subsequent event occurred after Balance Sheet date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

60 The financial statements were approved by the Board of Directors of the Group at their meeting held on 30th May, 2019.

61. The aggregate amount of Assets, Liabilities, Income and Expenses related to the Group's interests in the Joint Ventures

Sl. No	Name of the Company	Country of Incorporation	Year / Period Ended on	% Holding	Group's Share Assets ₹ in Lakhs	Group's Share Liabilities ₹ in Lakhs	Group's Share Income ₹ in Lakhs	Group's Share Expenses ₹ in Lakhs
1	Forbes Concept Hospitality Services Private Limited	India	31st March, 2019	50%	**8.61**	**2.28**	**1.42**	**1.78**
			31st March, 2018	*50%*	*7.44*	*0.75*	*0.41*	*0.13*
2	Forbes Aquatech Limited	India	31st March, 2019	50%	**1,068.38**	**245.42**	**1,247.09**	**1,095.91**
			31st March, 2018	*50%*	*1,023.19*	*308.89*	*1,395.82*	*1,191.79*
3	Infinite Water Solutions Private Limited	India	31st March, 2019	50%	**2,724.47**	**499.96**	**2,442.13**	**2,115.35**
			31st March, 2018	*50%*	*2,306.57*	*366.50*	*2,608.77*	*2,174.49*
4	Forbes G4S Solutions Private Limited	India	31st March, 2019	-	-	-	-	-
			31st March, 2018	*50%*	-	*2.57*	-	*0.11*
5	Aquaignis Technologies Private Limited	India	31st March, 2019	-	-	-	-	-
			31st March, 2018	*50%*	*238.27*	*45.63*	*364.09*	*356.98*
6	AMC Cookware (Proprietary) Limited	South Africa	31st December, 2018	50%	**6,179.46**	**2,033.20**	**5,361.76**	**4,971.69**
			31st December, 2017	*50%*	*6,360.17*	*2,083.51*	*5,366.74*	*4,637.86*
7	Forbes Bumi Armada Limited	India	31st March, 2019	51%	**1,299.39**	**647.71**	**2,808.33**	**2,677.30**
			31st March, 2018	*51%*	*1,178.32*	*640.64*	*2,807.31*	*2,691.91*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

62. Net debt reconciliation

₹ in Lakhs

	31st Mar., 2019	*31st Mar., 2018*
Short Term Borrowings	**(28,897.24)**	*(29,960.30)*
Long Term Borrowings (includes accrued interest)	**(58,486.53)**	*(74,214.91)*
Current Maturities of Long Term Borrowings	**(20,200.40)**	*(15,452.16)*
Total debt	**(1,07,584.17)**	*(1,19,627.37)*
Cash and Cash equivalents	**7,056.00**	*13,699.70*
Net debt	**(1,00,528.17)**	*(1,05,927.67)*

₹ in Lakhs

	Other assets	**Debt**	
	Cash and cash equivalents	**Total Debt**	**Total**
Net debt as at 1st April, 2018	**13,699.70**	**(1,19,627.37)**	**(1,05,927.67)**
Cash flows	(6,643.70)	13,799.31	7,155.61
Foreign exchange adjustments	-	(1,614.36)	(1,614.36)
Interest expense	-	(8,937.60)	(8,937.60)
Interest paid	-	8,795.85	8,795.85
Net debt as at 31st March, 2019	**7,056.00**	**(1,07,584.17)**	**(1,00,528.17)**

₹ in Lakhs

	Other assets	***Debt***	
	Cash and cash equivalents	***Total Debt***	***Total***
Net debt as at 1st April, 2017	***19,034.81***	***(1,17,025.20)***	***(97,990.39)***
Cash flows	*(5,334.83)*	*(129.12)*	*(5,463.95)*
Foreign exchange adjustments	*(0.28)*	*(2,019.50)*	*(2,019.78)*
Interest expense	*-*	*(9,555.96)*	*(9,555.96)*
Interest paid	*-*	*9,102.41*	*9,102.41*
Net debt as at 31st March, 2018	***13,699.70***	***(1,19,627.37)***	***(1,05,927.67)***

63. Offsetting financial assets and financial liabilities

	Gross amounts	**Gross amounts set off in the Balance Sheet**	**Net amounts presented in Balance Sheet**
	(Financial Assets -Trade Receivables)	**(Financial Liabilities - Rebates/ Discounts)**	**(Net Financial Assets - Trade Receivables)**
31st March, 2019	**52,274.05**	**462.77**	**51,811.28**
Total	**52,274.05**	**462.77**	**51,811.28**
31st March, 2018	46,800.74	314.36	46,486.38
Total	46,800.74	314.36	46,486.38

The Group gives rebates/ discounts for certain segment. Under the terms of contract, the amounts payable by the Group are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

64. Changes in Accounting Policies

I lnd AS 115 ‘Revenue from Contracts with Customers’ is a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 and is effective from accounting period beginning on or after 1st April, 2018 and replaces the existing revenue recognition standards.

(i) According to IND AS 115, revenue is measured at the amount of consideration the Group expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Revenue is recognised using the following five step model specified in IND AS 115:

Step 1: Identify contracts with customers
Step 2: Identify performance obligations contained in the contracts
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations
Step 5: Recognize revenue when the performance obligation is satisfied

The Group applied Ind AS 115 for the first time using the modified retrospective method of adoption with the date of initial application of 1st April, 2018. Under this method, revenue is measured as the amount of consideration the Company expects to receive in exchange for the goods or services when control of the goods or services and the benefits obtainable from them are transferred to the customer. Control can be transferred at a certain point in time or over a period of time. The Group has recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balances of retained earnings as at 1st April, 2018. The comparative information for the previous year has not been restated.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). The Company has elected to apply the standard to all contracts as at 1st April, 2018. The impact on the Group's retained earnings due to adoption of Ind AS 115 as at 1st April, 2018 is as follows:

(₹ in Lakhs)

Particulars	1st April, 2018
Retained Earnings (as previously reported)	(21,735.47)
Reversal of net profit on real estate projects under development (comprising income from real estate contracts aggregating ₹ 1,89,36.56 Lakhs net of real estate development costs aggregating ₹ 1,11,63.27 Lakhs)	(7,773.29)
Increase in Deferred Tax Assets on account of reversal of net profit on real estate projects under development	2,690.18
Reversal of revenue and the corresponding costs based on completion of performace obligation and the transfer of control to the customers	(78.56)
Adjustment to retained earnings from adoption of Ind AS 115	(5,161.67)
Retained Earnings (revised) post adoption of Ind AS 115	(26,897.14)

(ii) The following table presents the amounts by which each financial statement line item is affected in the current year ended 31st March, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided.

(₹ in Lakhs)

Balance Sheet (Extract)	31st March, 2019 without adoption of Ind AS 115	Increase/ Decrease	31st March, 2019 as reported
Non-Current Assets			
Deferred Tax Asset (net)	3,439.04	3,212.73	6,651.77
Income Tax Asset (net)	6,030.24	100.79	6,131.03
Total Non-Current Assets	**1,58,134.54**	**3,313.52**	**1,61,448.06**
Current Assets			
Inventories	42,814.55	16,838.77	59,653.32
Trade Receivables	47,039.08	(528.23)	46,510.85
Other Financial Assets	4,690.59	(3,557.89)	1,132.70
Other Current Assets	11,265.16	85.05	11,350.21
Total Current Assets	**1,13,633.77**	**12,837.70**	**1,26,471.47**
Total Assets	**2,71,768.31**	**16,151.22**	**2,87,919.53**
Current Liabilities			
Other Financial Liabilities	39,343.81	(934.63)	38,409.18
Other Current Liabilities	37,257.70	25,347.44	62,605.14
Current Tax Liabilities	1,197.82	(697.43)	500.39
Total Current Liabilities	**1,50,826.47**	**23,715.38**	**1,74,541.85**
Total Liabilities	**2,26,917.60**	**23,715.38**	**2,50,632.98**
Net Assets	**44,850.71**	**(7,564.16)**	**37,286.55**
Other Equity	32,637.95	(7,564.16)	25,073.79
Total Equity	**44,850.71**	**(7,564.16)**	**37,286.55**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

Statement of Profit and Loss (extract) for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	31st March, 2019 without adoption of Ind AS 115	Increase/ Decrease	31st March, 2019 as reported
Revenue from Operations	2,95,222.73	(9,880.84)	2,85,341.89
Total Income	**2,98,988.76**	**(9,880.84)**	**2,89,107.92**
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2,128.27	(5,716.69)	(3,588.42)
Other expenses	96,360.83	(447.81)	95,913.02
Total Expenses	**2,93,873.02**	**(6,164.50)**	**2,87,708.52**
Profit before exceptional items, Share of net profit of investment accounted for using equity method and tax	**5,115.70**	**(3,716.30)**	**1,399.40**
Profit Before Tax	**4,866.08**	**(3,716.30)**	**1,149.78**
Income Tax Expense (Current Tax and Deferred Tax including MAT)	2,762.07	(1,313.81)	1,448.26
Profit for the year	**2,104.01**	**(2,402.49)**	**(298.48)**
Total Comprehensive Income for the year	**2,401.41**	**(2,402.49)**	**(1.08)**
Earnings per equity share attributable to the Owners (Basic and Diluted)	**24.34**	**(18.87)**	**5.47**

a Revenue from Real estate development activities

In respect of property development projects undertaken by the Group, as per the earlier accounting standard, the Group followed percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the relevant conditions are completed [refer Note 2.19 in significant accounting policies].

With the application of Ind AS 115, the focus for revenue recognition has shifted from risks and rewards to transfer of control. Control is said to be transferred at a point in time in respect of real estate development projects as the Group does not fulfill any of the criteria for satisfaction of performance obligation and revenue recognition over time as explained in note 2.19.

Consequently, effective 1st April, 2018 as per requirements of Ind AS 115, the Group would recognise revenue at a point in time for real estate development projects when the performance obligation has been completed and the transfer of control to the customer takes places as against revenue recognition as per percentage of completion method as explained above. Accordingly, net impact on opening retained earnings aggregating ₹ 5,083.11 Lakhs (comprising reversal of income from real estate contracts aggregating ₹18,936.56 Lakhs, partially offset by real estate development costs aggregating ₹11,163.27 Lakhs and deferred tax asset aggregating ₹2,690.18 Lakhs) has been adjusted above as on 31st March, 2018. Additionally, all real estate developments costs incurred till date aggregating ₹24,304.31 Lakhs (costs incurred till 31st March, 2018 aggregates ₹16,749.40 Lakhs) have been inventorised as real estate work-in-progress as on 31st March, 2019 instead of ₹7,945.23 Lakhs as per earlier policy. Consequently, the increase in inventories as on 31st March, 2019 aggregating ₹16,359.08 Lakhs has been reflected in the extract of Balance Sheet and Statement of Profit and Loss above. All instalment payments received from the customers till date aggregating ₹25,461.61 Lakhs (installments received till 31st March, 2018 aggregates ₹14,577.30 Lakhs) have been accounted for as advances from customers as on 31st March, 2019 instead of ₹1,195.83 Lakhs as per the earlier policy. Consequently, the increase in advances from customers as on 31st March, 2019 aggregating ₹ 24,265.78 Lakhs has been reflected in the extract of Balance Sheet and Statement of Profit and Loss above. Also, unbilled revenue as on 31st March, 2019 aggregating ₹3,557.89 Lakhs has been ajdusted from advances received from customers.

The Group has disclosed contract liabilities towards advances from customers in note 23B.

b Accounting for discounts and incentives

Under the previous revenue recognition standards, volume discount, rebates and incentives given to customers were recognised as sales and promotion expense amounting to ₹ 447.81 Lakhs and other direct expenses amounting to ₹ 189.00

Lakhs and recognised under Other Financial Liabilities at year end. Under Ind AS 115, revenue for the year ended March 31, 2019 has been adjusted for the value of such items amounting to ₹ 637.81 Lakhs and the same has been recorded as refund Liabilities under Other Current Liabilities.

c Accounting for refunds

Under the previous revenue recognition standards, provision for returns would be measured on a net basis at the margin on sale. Under Ind AS 115, revenue for the year ended March 31, 2019 has been adjusted for expected value of returns and cost of sales has been adjusted for the value of corresponding goods expected to be returned. Accordingly, under Ind AS 115, a refund liability for the expected refunds to customers is recognised as adjustment to revenue in Other Current Liabilities. At the same time the Group has a right to recover the product from the customer when the customer exercises his right of return and hence an asset and a corresponding adjustment to changes in inventories of finished goods.To reflect this change in policy, the Group has recognised ₹1,019.68 lakhs towards volume discount, rebates and incentives given to customers as other current liabilities and ₹ 85.05 lakhs as other current assets.

d Performance obligation towards installation services

Under Ind AS115, installation service is determined as a separate performance obligation and recognised as and when services are performed. Accordingly, unperformed service as at the reporting date is deferred and presented as contractual liability under other current liabilities. To reflect this change in policy, the Group has recognised ₹ 61.00 Lakhs as impact to the opening retained earnings. As at the year end, revenue towards installation services not recognised aggregate to ₹ 62.00 Lakhs.

e Sale of Goods

Under Ind AS 115, revenue from sale of goods is recognised at a point of time when control of the products being sold has transferred to the customer upon delivery. This change in policy has resulted in a net revenue reversal of ₹ 362.85 Lakhs and a decrease in trade receivables of ₹ 528.23 Lakhs. Consequently, direct expenses has also decreased by ₹ 331.87 Lakhs and inventory has increased by ₹ 479.69 Lakhs.

II Remaining performance obligation towards rendering of maintenance contracts as the year end is recognized as "Income received in advance" and presented in "Other liabilities". This obligation pertains to maintenance services that would be carried out over the contract period for which company has received the advance. The service period ranges from 1 year to 4 years. Management believes that 73% pertaining to remaining obligation as of the year ended 31 March 2019 will be recognised as revenue during the next financial year, 23% will be recognized as revenue in FY 2020-21 and 4% will be recognised in FY 2021-22.

Reconciliation of Revenue Recognised with contract price

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2019**	*For the year ended March 31, 2018*
Contract Price *#	1,88,093.33	*1,82,030.87*
Less: Adjustments for:		
Refund Liabilites Promotion Items	447.81	-
Refund Liabilities - Sales Return estimate	189.00	-
Performance Liabilities	62.00	-
Add: Unperformed performance obligation at the end the period	41,111.60	*37,944.94*
Less: Unperformed performance obligation at the beginning of the period	(37,944.94)	*(34,488.46)*
Revenue from continuing operations	1,84,227.86	*1,78,574.39*

* Net of Taxes
# To the extent information available from the subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

65. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Current			
Financial Assets			
Trade receivables	**10B**	**44,773.00**	*33,486.60*
Cash and cash equivalents	**14A**	**1,251.65**	*209.60*
Bank balances other than above	**14B**	**392.32**	*232.38*
Loans	**11B**	**23.07**	-
Other financial assets	**12B**	**465.39**	*175.28*
Other current assets	**15B**	**5,199.23**	*4,105.54*
		52,104.66	*38,209.40*
Non-financial assets			
Inventories	**13**	**30,691.49**	*29,163.75*
Total current assets pledged as security		**82,796.15**	*67,373.15*
Non-current			
Leasehold Land	**5**	**51.10**	*51.37*
Freehold Land	**5**	**315.21**	*315.21*
Buildings	**5**	**6,708.21**	*6,963.95*
Plant and Equipment (Owned)	**5**	**2,652.01**	*2,053.65*
Shipping Vessels	**5**	**35,071.62**	*37,766.19*
Furniture and Fixtures	**5**	**30.37**	*40.62*
Data Processing Equipments (Owned)	**5**	**70.92**	*200.70*
Data Processing Equipments (On Lease)	**5**	**139.22**	*183.83*
Office Equipments	**5**	**13.81**	*19.59*
Other Fixed Assets *	**5**	**5,083.65**	*3,232.02*
Investment Properties	**6**	**216.16**	*227.24*
Intangible assets under development		**8,300.47**	*9,254.06*
Other Intangible assets	**8**	**3,637.03**	*1,899.95*
Total non-currents assets pledged as security		**62,289.78**	*62,208.38*
Total assets pledged as security		**1,45,085.93**	*1,29,581.53*

* Other fixed assets includes movable assets for employee benefit which has not been pledged.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

66. Disposal of a subsidiary

During the current year, the Group divested its 100 % stake in Aquadiagnostics Water Research & Technology Centre Limited (AWRTCL) on 25th June 2018 to a third party. The group discontinued the operations of AWRTCL on 25th June 2018 and AWRTCL ceased to be a subsidiary of the Group effective that date.

Upon, the divestment as mentioned above the undertaking of AWRTCL has been transferred to a third party.

Further the net assets held by Eureka Forbes Limited in AWRTCL amounting to ₹ 300.00 lakhs has been set off against the consideration received and loss arising out of this transaction has been recorded in the books during the year ended 31st March, 2019.

Particulars	**Principal activity**	**Date of acquisition**	**Proportion of voting equity interests acquired (%)**	**Consideration received ₹ in Lakhs**
During 2018-19				
Aquadiagnostics Water Research & Technology Centre Limited	Laboratory and Research center	25th June 2018	100%	221.52
Total			**100%**	**221.52**

Assets and liabilities de-recognised at the date of divestment 25th June 2018 :

(₹ in Lakhs)

Particulars	**Aquadiagnostics Water Research & Technology Centre Limited**
Assets	
Total Non Current Assets	**82.09**
Total Current Assets	**62.33**
Total Assets	**144.42**
Liabilities	
Total Current Liabilities	**7.46**
Net Assets derecognised	**136.96**
Gain / (loss) on Disposal	
Consideration received	221.52
Net Assets derecognised	(136.96)
Gain / (loss) on Disposal recorded in the books	**84.56**

Net Cash inflow arising on disposal

(₹ in Lakhs)

Cash consideration received	221.52
Cash and cash equivalents disposed off	(37.11)
Net cash inflow	**184.41**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 CONTD

67. Business Combination

During the current year, the company acquired balance 50 % stake in a joint venture Aquaignis Technologies Private Limited on 13th June 2018. Aquaignis became a subsidiary effective that date.

Particulars	Principal activity	Date of divestment	Proportion of voting equity interests acquired (%)	Consideration received ₹ in Lakhs
Aquaignis Technologies Private Limited	Manufacturing	13th June 2018	50%	198.18
Fair value of assests recognised at the date of acquisition 13th June 2018				415.76
Fair Value of previously Held Equity interest in Aquaignis Technologies Private Limited				207.88
Cash Consideration				198.18
Total Consideration				**406.06**
Goodwill				9.70
Contingent Liabilities assumed on acquisition				NIL
Non Controlling Interest				Not Applicable
Net Cash inflow arising on disposal				
Cash consideration paid				198.18
Cash and cash equivalents acquired				3.18
Net cash outflow				**195.00**

68. Forbes Technosys Limited (FTL), a subsidiary has earned a net profit of ₹ 3.26 Lakhs during the current year against the previous year net loss of ₹ 1,240.46 Lakhs and its current liabilities exceeded current assets by ₹ 4,937.76 Lakhs as at 31st March, 2019. FTL has accumulated losses of ₹ 8,244.89 Lakhs and the entity's net worth has been substantially eroded as at 31st March, 2019. The setback in recent past was temporary due to muted demand and stress in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom, subdued demand from banking sector. Heightened competition and entry of several local players in the e-payments space put pressures on margin as well. The Management believes that with new initiatives, product rationalization buoyed by consistent increasing demand observed in sectors other than BFSI, this entity is well poised to reap in the benefits.

Considering the improvements in demand and recent initiatives e.g. cost rationalization, new technology upgrades, and investments into new range of products, the management is of the view that the aforesaid situation was temporary in nature and is confident of inherent value and future prospects of this entity. The overall scenario looks positive and stable and the recent trends noticed in 2018-19 (e.g. cost rationalization, product portfolio diversification strategies etc.) are expected to continue in foreseeable future which would aid business recoupment. Accordingly, the financials of FTL have been prepared on going concern basis.

69. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2019

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 5260191

Place: Mumbai
Date: 30th May, 2019

Forbes & Company Limited
CIN: L17110MH1919PLC000628
Registered Office: Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
Phone: +91 22 6135 8900 **Fax:** +91 22 6135 8901 **E-mail:** investor.relations@forbes.co.in **Website:** www.forbes.co.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) :
Registered Address :
Email ID :
Folio No./Client ID :
DP ID :

I/We, being member(s) of ______________shares of Forbes & Company Limited, hereby appoint:

1. Name : ____
   Address : ____
   E-mail ID : ____
   Signature : ________________________________ or failing him

2. Name : ____
   Address : ____
   E-mail ID : ____
   Signature : ________________________________ or failing him

3. Name : ____
   Address : ____
   E-mail ID : ____
   Signature : ____

as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at 100th Annual General Meeting of the Company, to be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 on Monday, August 26, 2019 at 4.00 p.m. and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To consider and adopt:
   a) the Audited Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Board of Directors and the Auditors thereon; and
   b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019.
2. To declare dividend of ₹ 2.50 (25%) per equity share for the Financial Year ended March 31, 2019 and Special Centenary Year Dividend of ₹ 2.50 (25%) per equity share total amounting to ₹ 5.00 per equity share.
3. To appoint a Director in place of Mr. Shapoor P. Mistry (DIN: 00010114), who retires by rotation and being eligible, seeks re-appointment.
4. Ratification of the remuneration to be paid to M/s. Kishore Bhatia & Associates (Firm Registration No. 00294) for the Financial Year 2019-20.

Affix
Revenue
Stamp

Signed this ______________ day of ___________ 2019

Signature of the shareholder: ________________________

Signature of Proxy Holder(s): ________________________

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

9300 copies of Annual Report for Financial Year 2018-19 were printed on recycled papers

Material Handling Solutions- Manipulator

Industrial Automation: Control Panel Building

Services Management Kiosk

Passbook Printing Kiosk

Passbook Printing Kiosk

Four wheeler Vehicle Identification Number marking by Laser

Chemical Tanker - Saranga

Bank Account Opening Kiosk

Project Vicinia (MahaRERA Registration No. P51800002564)

Artist's impression. Not an actual image of site photograph for purposes of advertisement for sale

FORBES & COMPANY LIMITED

CIN : L17110MH1919PLC000628

Registered Office : Forbes' Building, Charanjit Rai Marg, Fort, Mumbai - 400 001.
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