

# FORBES & COMPANY LIMITED



**97<sup>th</sup> Annual Report**  
**2015-16**





Eureka Forbes

Delivering the promise of health, safety and happiness to millions of homes and offices in India and across the world.

HEALTHY WATER



24/7 SECURITY



CLEAN ENVIRONMENT



PURE AIR



**Board of Directors**

Shapoor P. Mistry                      Chairman  
Mahesh Tahilyani                      Managing Director (w.e.f. April 28, 2016)  
Kaiwan D. Kalyaniwalla  
D. Sivanandhan  
Jai L. Mavani  
Aslesha Gowariker                      (w.e.f. June 30, 2016)

**Company Secretary**

Pankaj Khattar

**Statutory Auditors**

Deloitte Haskins and Sells 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 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: cgs-unit@tsrdarashaw.com

**Ninety Seventh Annual General Meeting of Forbes & Company Limited will be held on Wednesday, August 24, 2016 at 4.00 p.m. at "Rangaswar", 4<sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021**

## NINETY SEVENTH ANNUAL REPORT 2015 -2016

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## NOTICE

NOTICE is hereby given that the Ninety Seventh Annual General Meeting of the members of Forbes & Company Limited will be held at “Rangaswar”, 4<sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021 on Wednesday, August 24, 2016 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, 2016 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, 2016.
2. To appoint a Director in place of Mr. Jai Mavani (DIN: 05260191), who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Auditors and fix their remuneration and to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“Resolved that Deloitte Haskins and Sells LLP, Chartered Accountants, (Firm Registration No. 117366W/W-100018) be and is hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, at such remuneration plus service tax, out of pocket, travelling and other expenses as may be determined by the Board of Directors of the Company.”

### SPECIAL BUSINESS

#### 4. Ratification of remuneration of Cost Auditor

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

“Resolved that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the remuneration of Rs. 4.35 lakhs plus out of pocket expenses payable to Kishore Bhatia & Associates (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, 2017 be and is hereby ratified and confirmed.

Resolved further that the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

#### 5. Issue of Non-Convertible Debentures through Private Placement

To consider and, if thought fit, to pass, with or without modification, the following resolution, as a Special Resolution:

“Resolved that in accordance with the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 as amended from time to time and any other applicable laws/regulations including the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and subject to the receipt of such approvals as may be necessary, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to

as “the Board”) to raise funds through Private Placement of Unsecured or Secured, Listed or Un-listed, Non-Convertible Debentures (“NCD”) upto Rs. 150 crores, in one or more tranches from such person(s), who may or may not be the debenture holders of the Company, including resident, non-residents, institutions, incorporated bodies, trustees banks, foreign institutional investors, insurance companies, mutual funds, bodies corporate, companies, other entities or persons, on such terms and conditions as may be finalized by the Board.

Resolved further that for the purpose of giving effect to Private Placement as aforesaid, the Board (including any Committee thereof) be and is hereby authorized to determine the terms and conditions of the Issue, including the class of investors to whom the NCD are to be allotted, the number of NCD to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, security, and to do all such acts, deeds and things and to execute all such documents, instruments, as may be necessary or expedient to give effect to this resolution or as may be deemed necessary in the interest of the Company.”

#### 6. Remuneration of Mr. Ashok Barat as Managing Director

To consider and, if thought fit, to pass, with or without modification, the following resolution, as a Special Resolution:

“Resolved that pursuant to the provisions of Section 196, 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the said Act and subject to the approval of the Central Government, if required and of such other authorities as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration for the period from April 1, 2016 to April 27, 2016 and other amounts/benefits as detailed in the explanatory statement attached to Item No. 6 of this Notice to Mr. Ashok Barat (DIN: 00492930).

Resolved further that in the event, if in the Financial Year 2016-17, the Company does not earn any profits or earns inadequate profits, the Company shall pay to Mr. Ashok Barat, the remuneration by way of salary, allowances and other amounts/benefits as detailed in the explanatory statement attached to Item No. 6 of this Notice as the minimum remuneration.

Resolved further that the Board of Directors (which term shall include any duly constituted Committee thereof) be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to this resolution”.

#### 7. Appointment of Mr. Mahesh Tahilyani as Director of the Company

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 152 and other applicable provisions, if any, of Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force) Mr. Mahesh Tahilyani, (DIN:01423084), who was appointed as an Additional Director of the Company and who holds office upto the date of this

Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

Resolved further that Mr. Mahesh Tahilyani shall be a non rotational director and shall not be liable to retire by rotation during his tenure as Managing Director of the Company”.

#### 8. Appointment of Mr. Mahesh Tahilyani as a Managing Director of the Company

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

“Resolved that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if required and of such other authorities as may be necessary, approval of the members of the Company be and is hereby accorded for the appointment of Mr. Mahesh Tahilyani, (DIN: 01423084) as a Managing Director of the Company with effect from April 28, 2016 for a period of five years and payment of salary, perquisites, allowances and other benefits (hereinafter referred to as “remuneration”) for a period of 3 years as per terms and conditions as detailed in the explanatory statement to Item No. 7 & 8 of this Notice, is hereby approved and the Board of Directors (hereinafter referred to as “the Board” which term shall include any duly constituted Committee thereof) be and is hereby authorised to alter and/or vary the terms and conditions of the said appointment and/or remuneration and/or agreement in such manner as may be agreed to between the Board and Mr. Mahesh Tahilyani.

Resolved further that in the event if in any financial year, the Company does not earn any profits or earns inadequate profits, the Company shall pay to Mr. Mahesh Tahilyani, the remuneration as detailed in the explanatory statement to Item No. 7 & 8 of this Notice as the minimum remuneration.

Resolved further that the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

#### 9. Appointment of Ms. Aslesha Gowariker as Independent Director of the Company

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 Sections 149 and 152, Schedule IV and other applicable provisions of Companies Act, 2013 and the rules made there under (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Ms. Aslesha Gowariker (DIN: 03634905), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and is eligible for appointment, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, proposing her candidature for the office of Director of the Company, Ms. Aslesha Gowariker be and is hereby

appointed as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from June 30, 2016 and shall not be liable to retire by rotation”.

By Order of the Board of Directors

Mumbai, June 30, 2016.

Pankaj Khattar  
Head Legal & Company Secretary

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Charanjit Rai Marg,  
Mumbai 400 001

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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 (“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), 2015) in respect of Director seeking appointment / re-appointment at the meeting is enclosed 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 than 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 Saturday, August 20, 2016 to Wednesday, August 24, 2016 (both days inclusive).
4. Corporate members are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the AGM.
5. 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.
6. Members are requested to update their email address with your Depository Participant/Company to enable us to send you Annual Report and other communications electronically.
7. Members are requested to bring their attendance Slip along with their copies of the Annual Report to the Meeting.
8. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956 the unpaid or unclaimed dividends, unclaimed matured deposits, unclaimed interest on deposits for a period of 7 years from the date they became due for payment, have been transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred

prior to March 31, 2016, nor shall any payment be made in respect of such claim. The details of unpaid and unclaimed amounts lying with the Company are available on the website of the Company viz. [www.forbes.co.in](http://www.forbes.co.in), as also on the website of the Ministry of Corporate Affairs.

Documents referred to in Statement pursuant to Section 102 (1) of the Act shall be available for inspection on any working day (Monday to Friday) between 11.00 am to 1.00 pm.

9. The Notice of the AGM along with the Annual Report for Financial Year 2015 -16 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 Registrars and Share Transfer Agents / Depositories.
10. 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.
11. E-Voting
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, 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 the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting 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 August 21, 2016 (9:00 am) and ends on August 23, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 17, 2016, 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(s)]:
      - (i) Open email and open PDF file viz; "Forbes & Company.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

- (ii) Launch internet browser by typing the following: URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Forbes & Company Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [makarandjoshi@mmjc.in](mailto:makarandjoshi@mmjc.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

- (i) Initial password is provided as below on the attendance slip

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. 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).
- IX. 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 August 17, 2016.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. August 17, 2016, may obtain the

login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). 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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. 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.
- XIII. 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.
- XIV. 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.

- XV. 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.
- XVI. 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 i.e. August 24, 2016.

## ANNEXURE TO NOTICE

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

The following statement sets out material facts relating to the Special Business mentioned in the accompanying Notice:

#### Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of Kishore Bhatia & Associates (Firm Registration No. 00294) as cost auditors of the Company at a remuneration of Rs. 4.35 lakhs plus out of pocket expenses for the financial year ending March 31, 2017.

In accordance with the provisions of Section 148 of the Companies Act, 2013 (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, 2017.

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

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

#### Item No. 5

As per Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and Rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, a company shall not make a Private Placement of its securities unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Members of the Company by a Special Resolution for each of the offers or invitations. The Special Resolution as aforesaid is valid for a period of 1 year from the date of passing of the Resolution.

The Non-Convertible Debentures (NCDs) issued on preferential basis is one of the most cost effective sources for long term borrowings.

In view of the above and to meet the requirements of Section 42 of the Companies Act, 2013 approval of the Members is sought for Private Placement of Debentures upto Rs. 150 crores, within the overall

borrowing limits of the Company of Rs. 500 crores at any point of time, as approved by the members of the Company in the Annual General Meeting held on August 6, 2014. The members in the aforesaid meeting had also approved creation of security upto Rs. 500 crores at any point of time.

It is proposed to utilize the funds for general corporate purposes and/or investments in subsidiaries.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested, in passing of the said Special Resolution at Item No. 5 of the Notice.

The Board recommends the Special Resolution at Item No. 5 of the accompanying Notice in the interests of the Company.

#### Item No. 6

Mr. Ashok Barat was re-appointed as the Managing Director of the Company by the Shareholders of the Company at the Annual General Meeting held on August 2, 2013 for a period of 5 years from April 1, 2013 to March 31, 2018, subject to the retirement policy of the Company.

Mr. Ashok Barat as per the retirement policy was due for retirement in December 2016. However, to facilitate completion of transition, Mr. Ashok Barat vacated the Board position and ceased to be Managing Director of the Company from the close of business hours on April 27, 2016. Mr. Ashok Barat however, remained an employee of the Company till June 30, 2016.

The remuneration was approved by the members in the Annual General Meeting held on August 2, 2013 in conformity with the then applicable statutory provisions for a period of three years from April 1, 2013. Approval is sought from members of the Company to pay remuneration to Mr. Ashok Barat for a period from April 1, 2016 to April, 27, 2016, Annual Performance Incentive for FY 2015-16 and Ex-Gratia payment for the valuable services rendered by Mr. Ashok Barat to the Company and Board during his entire tenure as Managing Director of the Company.



The details of remuneration payable to Mr. Ashok Barat are as follows:

Particulars	Amount (Rs. in Lakhs)
Gross Salary from April 1, 2016 to April 27, 2016*	6.42
Annual Performance Incentive (for FY 2015-16)	55.00
Ex-Gratia payment	146.00

\* In addition, Mr. Ashok Barat is entitled to Company's contribution to Provident Fund, Superannuation Fund and Perquisites/Benefits as per Company's Policies.

None of the Directors or Key Managerial Personnel and their relatives are concerned or interested in passing of the said Special Resolution at Item No. 6 of the Notice.

The Board of Directors recommends the passing of Special Resolution at Item No. 6 of the accompanying Notice in the interests of the Company.

#### Item No. 7 & 8

Mr. Mahesh Tahilyani was appointed as an Additional Director of the Company w.e.f. April 28, 2016. As per provisions of Section 161 of the Companies Act, 2013, Mr. Mahesh Tahilyani holds office upto the date of ensuing Annual General Meeting of the Company, and is eligible for appointment.

The Board of Directors (hereinafter referred to as "the Board" which term shall include any duly constituted Committee thereof) of the Company on the recommendation of Nomination and Remuneration Committee had also approved the appointment of Mr. Mahesh Tahilyani as Managing Director on the Board of the Company with effect from April 28, 2016 for a period of five years.

Approval of the members is required by way of Special Resolution for appointment and payment of remuneration.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr. Mahesh Tahilyani and the terms and conditions of the appointment are given below:

Scale of Basic Salary per month	Rs. 3,00,000 to Rs. 5,00,000
Perquisites and Allowances*	Not exceeding 200% of Basic Salary
Annual Performance Incentive	Not exceeding 24 months Basic Salary

\* Perquisites and allowances and other benefits shall be interchangeable.

In addition Mr. Mahesh Tahilyani would be entitled to Company's contribution to Provident Fund, Superannuation Fund and other Perquisites/Facilities/Benefits (including Company's car with driver, Gratuity, Leave encashment at the end of the tenure) as per the Company Policies applicable from time to time.

The other material terms of the draft agreement with Mr. Mahesh Tahilyani referred to in the resolution at Item No. 8 of the Notice are as follows:

1. The appointment of Mr. Mahesh Tahilyani shall be for a period of 5 years from April 28, 2016 to April 27, 2021 (both days inclusive). The appointment of Mr. Mahesh Tahilyani, as Managing Director, shall be subject to the retirement policy of the Company for the time being.
2. During his tenure as the Managing Director the day-to-day management of the Company shall be in the hands of Mr. Mahesh

Tahilyani, subject to the supervision and control of the Board of Directors of the Company.

3. Mr. Mahesh Tahilyani shall devote his whole time, attention and ability during business hours to the business of the Company and undertake travel in India and abroad for the same.
4. Mr. Mahesh Tahilyani shall not be subject to retirement by rotation in accordance with Section 152(6) of the Companies Act, 2013.

The Board may revise the terms and conditions of appointment and/or remuneration of Mr. Mahesh Tahilyani as may be deemed fit by it.

The draft of the proposed Agreement to be entered by the Company with Mr. Mahesh Tahilyani shall be open for inspection by the shareholders at the Registered Office of the Company between 11.00 a.m. to 1.00 p.m. on any working day (Monday to Friday).

Notice has been received from member proposing appointment of Mr. Mahesh Tahilyani as Director of the Company along with requisite deposit. The disclosure under Regulation 36(3) of SEBI (LODR), 2015, is provided as Annexure to this Notice.

Except Mr. Mahesh Tahilyani, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolutions set out at Item No.s 7 & 8.

The Board recommends the passing of Ordinary Resolution at Item No. 7 and Special Resolution at Item No. 8 of the accompanying Notice, in the interests of the Company.

#### Item No. 9

Ms. Aslesha Gowariker was appointed as an Additional Independent Director of the Company w.e.f. June 30, 2016. As per provisions of Section 161 of the Companies Act, 2013, Ms. Aslesha Gowariker holds office upto the date of ensuing AGM of the Company, and is eligible for appointment.

In the opinion of the Board, Ms. Aslesha Gowariker fulfils the conditions specified in the Companies Act, 2013 and Rules made there under for her appointment as an Independent Director.

Notice has been received from member proposing appointment of Ms. Gowariker as Independent Director of the Company along with requisite deposit. The disclosure under Regulation 36(3) of SEBI (LODR), 2015, is provided as Annexure to this Notice.

Except Ms. Aslesha Gowariker, none of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 9.

The Board recommends the passing of resolution at Item No. 9 of the accompanying Notice, in the interests of the Company.

By Order of the Board of Directors

Mumbai, June 30, 2016.

Pankaj Khattar  
Head Legal & Company Secretary

Registered Office:  
Forbes' Building,  
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**Details of Directors whose re-appointment/appointment is proposed at the forthcoming Annual General Meeting  
(Pursuant to Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)**

<b>Name of Director</b>	<b>Mr. Jai L. Mavani</b>	<b>Mr. Mahesh Tahilyani</b>	<b>Ms. Aslesha Gowariker</b>
<b>Date of Birth</b>	September 4, 1971	September 26, 1964	April 14, 1967
<b>Date of first Appointment</b>	May 22, 2012	April 28, 2016	June 30, 2016
<b>Qualification</b>	B.Com, ACA	B.Com, ACA, ACS, CIMA (UK) & DISA (ICAI)	B.Com, L.L.B.
<b>Relationships between directors inter-se</b>	Not related to any Director of the Company	Not related to any Director of the Company	Not related to any Director of the Company
<b>Expertise in specific functional areas</b>	Mr. Jai Mavani has worked with firms like Arthur Andersen, KPMG and PWC and has industry specialization in Infrastructure, Real Estate and Private Equity and his skills include Mergers & Acquisitions, tax & regulatory and investment.	Mr. Mahesh Tahilyani has over 30 years of strong experience in variety of roles in India and abroad and assumed positions of increased responsibility. Before joining the Company, Mr. Mahesh Tahilyani was employed as Group Financial Controller in Shapoorji Pallonji and Company Private Limited (Holding Company of the Company) since April'2009. Mr. Mahesh Tahilyani has also worked for more than 24 years in Philips Electronics Group in various roles .	Ms. Aslesha Gowariker has over 20 years of experience in corporate practice and advises on mergers and acquisitions and project finance related transactions / projects. Ms. Gowariker has substantial experience in advising foreign investors and domestic companies on transactions across various industry sectors such as healthcare, hotels and hospitality, auto, FMCG, pharmaceuticals, real estate, media & entertainment and oil/telecom/power/gas/roads/ports and provides opinions on issues involving interpretation.
<b>List of other Public Companies in which Directorship</b>	<ul style="list-style-type: none"> <li>● Eureka Forbes Limited</li> </ul>	<ul style="list-style-type: none"> <li>● Forvol International Services Limited</li> <li>● SP Jammu Udhampur Highway Limited</li> <li>● Forbes Bumi Armada Limited</li> <li>● Forbes Bumi Armada Offshore Limited</li> </ul>	<ul style="list-style-type: none"> <li>● NRB Bearings Limited</li> <li>● Tata Communications Data Centres Private Limited (Subsidiary of Tata Communications Limited)</li> </ul>
<b>Chairmanship*/ Membership of the Committees of Board (includes only Audit Committee and Stakeholders Relationship Committee) of other Indian Public Companies</b>	Nil	Nil	<p><b>Audit Committee</b></p> <ul style="list-style-type: none"> <li>● NRB Bearings Limited</li> <li>● Tata Communications Data Centres Private Limited</li> </ul> <p><b>Stakeholders Relationship Committee</b></p> <ul style="list-style-type: none"> <li>● NRB Bearings Limited*</li> </ul>
<b>No. of shares held in the Company</b>	Nil	Nil	Nil

**Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:****I. General Information-**

Nature of Industry	Manufacturing of light engineering goods viz., threading tools, high speed steel taps, dies and die nuts, and through subsidiaries/associate companies clean water, air and hygiene products, transaction solutions systems, providing Floating Production Storage Offloading Vessels & operating chemical tankers.
Date or expected date of Commercial Production	The Company is in commercial production since the year 1919.
In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable

**Standalone Financial Performance****For the financial year ended (Rs. in Lakhs)**

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Total Income from operations (net)	28,597	28,738	25,250
Total expenses	29,061	28,523	25,587
Other Income	749	618	857
Profit/Loss from ordinary activities	285	833	520
Profit/Loss before tax	(2971)	(58)	222

**Consolidated Financial Performance****For the financial year ended (Rs. in Lakhs)**

Particulars	FY 2013-14	FY 2014-15	FY 2015-16
Total Income from operations (net)	3,06,723	3,54,606	3,80,120
Total expenses	2,96,831	3,42,134	3,72,653
Profit/Loss from ordinary activities	16,341	18,208	12,613
Profit/Loss before tax	7,201	8,078	732
Tax	2,156	4,374	3,965
Profit/Loss after tax	5,045	3,704	(3,233)

**Foreign Investments or collaborations, if any** - There is no direct foreign investment in the Company except to the extent shares held by Foreign Institutional Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.

**II. Information about Mr. Ashok Barat and Mr. Mahesh Tahilyani:**

Particulars	Mr. Ashok Barat	Mr. Mahesh Tahilyani
Background details	Mr. Ashok Barat aged 59 years is a Commerce Graduate (Gold medalist) from Allahabad University and a member of the Institute of Chartered Accountants of India and the Institute of Company Secretaries of India.	Mr. Mahesh Tahilyani aged 51 has over 30 years of strong experience in variety of roles and assumed positions of increased responsibility. He is B.Com, ACA, ACS, CIMA (UK) & DISA (ICAI).
Remuneration received in FY 2015-16 (Rs. in Lakhs)	142.72	142.73
Recognition and Awards	Mr. Ashok Barat is a member of Committees of several Trade Associations.	Under leadership and guidance of Mr. Mahesh Tahilyani, Shapoorji Pallonji and Company Private Limited received SAP ACE award for Large and Complex SAP Implementation in December'2015. Mr. Mahesh Tahilyani was also recognized and awarded for various initiatives in Philips Electronics Group.



Particulars	Mr. Ashok Barat	Mr. Mahesh Tahilyani
Job profile and his suitability	Mr. Ashok Barat has worked in India and abroad and has rich experience in the corporate world which benefitted the Company. He is also a Director in several other companies.	Mr. Mahesh Tahilyani has over 30 years of strong experience in India and abroad and has rich experience in the corporate world in various roles across his career.
Remuneration proposed	As per details in the explanatory statement	As per details in the explanatory statement
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Nil	Nil

**Comparative remuneration profile with respect to industry, size of company, profile of the position and person**

Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility, the proposed remuneration is in line with the current remuneration structure of the industry.

**III. Other information**

**Reasons of loss or inadequate profits, Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

The Company is a conglomerate comprising of various diversified businesses and has 34 subsidiaries and 7 joint ventures in India and abroad. The Company Management and the Board recently extensively reviewed some of its existing portfolio of businesses and has come to conclusion that Container Freight Stations (CFS) and Logistics businesses are not a strategic fit with the long term vision of Company and as such it is necessary and prudent to exit these businesses in a manner that optimises value. Accordingly, the Board of Directors of the Company in its meeting held on January 5, 2016, decided to exit its CFS and Logistics Businesses for an Enterprise Value of not less than Rs. 93.50 Crores. The Company in April 2016 completed the slump sale of Mundra CFS to TG Terminals Private Limited and the Company executed an agreement to transfer assets pertaining to its logistics business with Transworld Global Logistics Solutions (India) Private Limited and received a consideration of Rs. 53.5 Crores. The transaction for Veshvi CFS is likely to be completed in the second quarter of the FY 2016-17.

As per the terms of out-of-court settlement of the dispute set out in consent terms filed with Hon'ble Bombay High Court, relating to the sale of plot of land at Chandivali, the Company and Videocon Realty and Infrastructure Limited (Videocon) are jointly developing their respective share (50% each) on the plot of land at Chandivali through a specific flatwise allocation of built up area of apartments. The Company has received bookings for 54 flats pertaining to its share as at end of March, 2016. The Project is expected to be fully executed by December 2019.

The Company has been making necessary efforts to improve its performance and has been aggressively pursuing and implementing its strategies. The Company reported a marginal standalone profit in the FY 2015-16. The results of some of the initiatives by the Company are likely to yield positive results in the coming years.

**IV. Disclosures**

The necessary disclosures required under Para IV of Section II of Part II of Schedule V to the Companies Act, 2013 have been disclosed in the Corporate Governance report and explanatory statement sent along with the Annual Report of the Company.

By Order of the Board of Directors

Pankaj Khattar  
Head Legal & Company Secretary

Mumbai, June 30, 2016.

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## BOARD'S REPORT

Dear Members,

The Board of Directors 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, 2016. 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 during the financial year under review is summarized as follows:

Rs. in Crores

Particulars	Standalone		Consolidated	
	FY 15-16	FY 14-15	FY 15-16	FY 14-15
Revenue from Operations and Other Income (Total Revenues)	261.06	293.41	3,852.65	3,603.41
Earnings before Interest, Depreciation & Tax (EBIDT)	29.54	25.36	180.61	193.60
Profit / (Loss) after Interest and before Depreciation & Tax	10.57	6.57	82.70	102.40
Depreciation	8.35	7.15	75.38	21.62
Profit / (Loss) after Depreciation and Tax	2.22	(0.58)	(32.33)	37.04
Exceptional items - Income/(Expense)	16.00	9.84	(20.90)	(10.10)
Profit before tax (PBT)	2.22	(0.58)	7.32	80.78
Profit after tax (PAT)	2.22	(0.58)	(32.33)	37.04

On a consolidated basis, Total Revenues for the FY 2015-16 were at Rs. 3852.65 crores, higher by 6.92% over the previous year. Consolidated EBIDT was Rs. 180.61 for the financial as compared to Rs. 193.60 crores in the previous year.

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

#### Outlook

During the year under review, there were considerable changes in the external working environment. While commodity costs and inflation continued to come down in India, two successive failed monsoons and rural drought resulted in a distressed demand in the sectors we serve in India. The below par performance of the global economy was reflected in a growth deceleration in most emerging and developing economies, driven by low commodity prices, weaker capital flows and subdued global trade. The global economy remained subdued with world output slowing down to 3.2%. Emerging markets and developing economies grew by 4%.

In this scenario, your Company remained focused on delivering profitability led growth.

The recovery is projected to strengthen in FY 2016-17, driven primarily by emerging markets and developing economies. While emerging markets and developing economies will still account for the lion's share of world growth, prospects across countries remain uneven and generally weaker than over the past two decades.

According to IMF World Economic Outlook Update, Indian economy is expected to grow by more than 7% during FY 2016-17, despite the uncertainties in the global market, which should help your Company (including its subsidiaries) to grow.

The Government initiatives like the "Make in India" initiative, with an

aim to boost the manufacturing sector of Indian economy, is expected to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and increasing digital literacy. Your Company (including its subsidiaries) are expected to be beneficiaries from the benefits arising from these initiatives.

#### Precision Tools Group (PTG)

Totem, as a brand, strengthened its position as a leading brand in the domestic market and made good strides in the global space. High performance Taps led the way with success in China for application on super alloys and difficult-to-machine materials. Solid Carbide end mills found their niche in Eastern Europe and the progress continues. The focus was on profitability through value-added products.

Low oil prices have helped ease inflation in India but international markets have failed to cheer up. In spite of challenging market scenario, PTG managed a profitable topline growth of 6%.

A series of product extensions and new business areas were tapped. Launch of Solid Carbide Rods, and High Speed Steel drills for construction, concrete, granite, hammer etc., would open up avenues in the ever expanding infrastructure business. Spring Lock Washers won a certification from the Power Grid Corporation of India, paving the way for entry in the power sector.

The focus on addressing the needs of end-user consumers continued. A

close understanding of channel partners was undertaken through annual dealer's conference during the year. A concept of key account manager was initiated to have an understanding of key end-user consumers. A team of sales engineer was appointed for the South-East Asian market, as a precursor for venturing in to wide geographies.

The division continued with its 'Adapt, Change, Excel' (ACE) program - to be nimble and swift in business execution. Employee Engagement program for nurturing internal talent and succession planning is also being put in place.

#### Coding Business Group (CBG)

Coding business group had adequate success with significant 'above-budget' operating profit and a topline growth of 8%. Enhancement in the in-house facility, with addition of laser markers and testing equipment in the factory helped better service to Original Equipment Manufacturer (OEMs).

The launch of Bradma lasers with variants of Fiber, Carbon Dioxide (CO<sub>2</sub>) had good acceptance in the Indian market. In process are more product variants, notably, Ultra Violet (UV) & Diode Pump technology. Bradma can claim to be pioneers in development for marking & traceability on components for leading two-wheeler manufacturers in India. CBG also started catering to the valve and heavy engineering industry.

Venturing into the Marking Software space, Bradma developed the interface for SAP integration with the user's marking assembly for one of the leading two-wheeler manufacturers in India.

Bradma has added Automation in its product portfolio and executed projects successfully across different industries. Bradma will strive to increase its market share in the traceability and identification businesses.

#### Container Freight Stations (CFS) and Logistics Business

During the financial year the Company decided to exit CFS and Logistics businesses. The Company executed the definitive agreements with TG Terminals Private Limited for sale of its CFS businesses and with Transworld Global Logistics Solutions (India) Private Limited for sale of its Logistics business, for a value not less than Rs. 93.50 crores. The Company, on April 18, 2016 completed the sale of Mundra CFS to TG Terminals Private Limited and sale of assets pertaining to its logistics business to Transworld Global Logistics Solutions (India) Private Limited and received a consideration of Rs. 53.5 crores. The transaction for Veshvi CFS is likely to be completed in the second quarter of the FY 2016-17.

#### Realty Development of Plot of Land at Chandivali - (Project VICINIA)

As per the terms of out-of-court settlement of the dispute set out in consents terms filed with Hon'ble Bombay High Court relating to the sale of plot of land at Chandivali, the Company and Videocon Realty and Infrastructure Limited (Videocon) are jointly developing their respective share (50% each) on the plot of land at Chandivali through a specific flatwise allocation of built up area of apartments. The Company has received bookings for 54 flats pertaining to its share as at end of March, 2016. The Project is expected to be fully executed by December 2019.

#### Investment in Subsidiaries/Joint Ventures

During FY 2015-16, Lux Aqua GMBH, Switzerland and Lux Aqua (HU) Hungary were incorporated as wholly owned subsidiaries of Lux International AG and Lux Aqua GMBH respectively.

#### Subsidiaries/ Associates /Joint Ventures

During FY 2015-16 the following companies have become or ceased to be subsidiaries, joint ventures or associates.

Name of Company	Nature of Relationship
Eurolife Regen Private Limited	Ceased to be a Joint Venture of Eureka Forbes Limited with effect from April 1, 2016.
Lux Aqua Gmbh, Switzerland	Incorporated as a wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) with effect from September 21, 2015
Lux Aqua (HU) Hungary	Incorporated as a wholly owned subsidiary of Lux Aqua Gmbh, Switzerland with effect from November 27, 2015
Radiant Energy Systems Private Limited	Amalgamated with Forbes Enviro Solutions Limited (a wholly owned subsidiary of Eureka Forbes Limited) with effect from February 10, 2016
Waterwings Equipments Private Ltd	Amalgamated with Forbes Enviro Solutions Limited (a wholly owned subsidiary of Eureka Forbes Limited) with effect from February 10, 2016
Technext E- Payments & Services Limited	Incorporated on July 14, 2015 and ceased to be a subsidiary of Forbes Technosys Limited (a wholly owned subsidiary of the Company) with effect from March 28, 2016
Forbes Edumetry Limited	Under Voluntary Winding up
Edumetry Inc.	Wound up with effect from October 28, 2015

Details of subsidiaries, associate companies and joint venture companies set out in the statement in Form AOC-1, pursuant to Section 129 of the Companies Act, 2013 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](http://www.forbes.co.in).

#### Eureka Forbes Limited & its Subsidiaries (Collectively 'EFL')

In FY 2015-16, EFL, as one dominating force, expanded its markets, executed its strategies, evolved as individuals and excelled in performance, to make EFL a Global Multi-National Corporation. Despite weak global outlook, EFL persevered and posted a strong



growth of 15% over the previous year with gross a turnover of Rs.1912.39 and profit after tax of Rs. 31.19 Crores.

The Direct Sales Division once again proved it's mettle to stay ahead of the game with 'Category First' initiatives like – Paani-ka-Doctor clinics (Smaller offices to improve visibility and expand reach) and rental sales. EFL has taken bold steps of restructuring its core brands in water to maintain its pole position in the market by introducing 'Dr. Aquaguard' as its flag-ship brand in Direct Sales with cutting-edge products and a state-of-the-art training and demo programs. This has enabled EFL to move 'Aquaguard' in retail segment to fight competition on a common platform.

The Superbrand Euroclean has also reached new heights thanks to a year-long 'below the line" marketing activities. Foreseeing a major market shake-up, EFL has reinvented its range of Air Purifiers under the brand 'Aeroguard'. There will be a special focus to drive this sunrise category and capture a significant market share.

To ensure that EFL reaches maximum people, the three new sales channels – TV Shopping, e-Commerce and Tele-Sales Engine, are taking shape and have started giving positive indications of demand.

The year gone by has been challenging due to slow economic growth in India and also total inertia in projects. With the orders and prospects on hand and the economy likely to open up, Forbes Pro is planning to grow significantly this financial year.

#### Strategic Initiatives:

Forbes Pro Clean Technology Solutions has been rebranded as Forbes Pro Cleaning Solutions with a fresh new logo to reposition the company with the new range of products with EFL brand name assembled from multiple suppliers, thereby reducing dependability from any single supplier.

Eureka Forbes Limited and Process Research Ortech, Canada, join hands in bringing a unique technology of Automated Variable Filtration (AVF) technology to India for high quality water filtration thereby reducing costs in an environment friendly manner.

#### Water Pride Points:

Infosys will provide Aquaguard safe drinking water at the Global Education Center of Infosys, at Mysore which accommodates up to 13,500 campus recruits.

With an aim to provide safe drinking water at public places, Water Products will be supplied to about 150 railway stations under the IRCTC partnership.

Four Water ATMs have been set up in Varanasi, the Parliamentary Constituency of Hon'ble Prime Minister under the Swachh Bharat Abhiyan as part of Oil & Natural Gas Corporation Limited's (ONGC) Corporate Social Responsibility activity.

Won an order for 110 community water treatment plants in Karnataka which are under installation and would be on a sustainable social business model.

#### Cleaning:

Towards building a healthier India, Cleaning Solutions has

supplied Scrubber Dryers and High Pressure Jets to 405 Government Schools across Delhi and with this initiative EFL will be providing Swachh environment to 6 lakh students in Delhi.

Forbes Facility started maintenance of the Heritage Structure of 'The Asiatic Society of Mumbai' along with the Rotary Club.

Forbes Facility made a successful entry into the 'Offshore Business' of housekeeping and catering with Forbes Bumi Armada Offshore Limited.

The Human Resources (HR) Function has significantly supported the business requirements to fuel organization growth. Talent acquisition has been at its all-time high during FY 2015-16, wherein over 8800 Eurochamps have been hired during the course of the year with retention, too, improving marginally over the previous year. Over 7500 Eurochamps have been trained during the course of the year on behavioral and functional skills. EFL's 360 degree employee engagement program comprising of Health and Wellness initiatives, Picnics, Sports Day, etc. has been implemented successfully with participation by over 6000 Eurochamps.

The HR Function has instituted leadership development and growth initiatives across various levels in the organization, and has successfully carried out programs like the Young Leaders Development Program (YLDP) comprising of over 200 leaders at junior levels and Building Leadership pipeline comprising of over 140 leaders at the middle management level. Key Retains Program comprising of 23 senior leaders is now into its fifth year wherein the high potential leaders are required to contribute to the organization through Action Learning Projects (Dream Team Projects).

The HR Function introduced a Manager as a Coach program wherein 83 leaders were trained in coaching skills and were enrolled into an internship program for a span of 9 months, wherein, each of them had to coach two of their team members, under the guidance of the facilitator.

The HR Function introduced the EFL climate barometer, based on the Gallop 12 questions, eliciting employee satisfaction in areas of basic needs, management support, teamwork and growth. EFL scored an overall 4 in this survey on a scale of 1 to 5, with 5 being the highest.

Eurosmile, EFL's customer service division established a wide service network and exceeded 10 million customer visits during the year, catering to 15 million installation bases in India. The division has implemented mobile application in 6 cities for customer facing teams to bring visibility in real time and improve turnaround time for service request to within 9 hours, leading to customer delight

The new initiatives vertical has been restructured to include security solutions, packaged drinking water, Fast Moving Consumer Durables (FMCD) and other projects which will help reach the aspirational \$1 Billion target.

The Aquasure Packaged Drinking Water (PDW) brand became available in over 24,000 outlets in 32 cities through 36 franchisees dispensing 41 million litres of water. The brand is now available across prestigious clients - Air India, Bombay Gymkhana, Hyatt Regency, Breach Candy Hospital and 33 SP Group Companies.

The Eurovigil security systems brand secured prestigious multi-locational orders from clients like the MRF, ITC Wills Life Style and

ITC Classmate for Intrusion Alarm and Surveillance Systems (CCTV).

With such excitement in all the categories, EFL is poised to go to the next level and it hopes to make it a beacon of success for many more years to come.

Forbes Pro Clean Technology solutions have been involved actively in the Swachh Bharat movement by joining hands with institutions and heritage sites to provide cleaning operations and demonstrating the impact of clean environment. There has been a significant switch from selling products to installing solutions and adding value to the customers. Forbes Facilities has moved into property management in prestigious clubs like Bombay Gymkhana and Bombay Presidency Golf club. They have also entered into facility management in the oil and gas sector. The water projects team made a foray into desalination plants by bagging and executing the first diesel plant order from Toshiba, Japan for a power plant in Philippines. Besides this, considering lack of movement of projects in India, they executed many export orders to Africa, Vietnam, Thailand and Philippines; this will stand in good stead in future. The Forbes Pro water team has signed with 'Blue Star' for cobranding with them on coolers cum purifiers. Water Solutions and Community Fulfilment installed the first completely solar powered 1000 liters per hour water treatment plant in a Kolkata urban slum which is the first of its kind in India without wastage of any water in the process. The Water Solutions Division has also made a significant impact in realty segment for providing water treatment and waste water treatment plants and also developed a complete solution for swimming pools in a prestigious residential complex with 68 plunge pools and one big swimming pool. The year gone by has, however, been challenging due to slow growth in India. With the orders and prospects on hand and the economy likely to open up, Forbes Pro is planning to grow significantly this year.

As in the past, during the current year too, EFL and its subsidiaries received various awards and recognitions, some of which are as follows—

Water Company of the Year 2015 by CMO –Asia Water Leadership Award, Singapore;  
Water Champion Award to Executive Vice Chairman by CMO - Asia Water Leadership Award, Singapore;  
Water Company of the Year 2015 – Asia Water Leadership Award, Dubai;  
Water Champion Award to Executive Vice Chairman - Asia Water Leadership Award, Dubai;  
Eureka Forbes : Selected Business Superbrand India 2015 : Aquaguard (5<sup>th</sup> time) & Euroclean (3<sup>rd</sup> time);  
Green' Recognition by Hon. PM Mr. Narendra Modi and cited by the French Govt. – 'Delhi to Paris: Corporate Vision on Climate Change –Reinforcing India's Commitment';  
Reader's Digest : Trusted Brand Awards 2015: Aquaguard (9<sup>th</sup> time) (Gold Category);  
Reader's Digest : Trusted Brand Awards 2015: Euroclean (5<sup>th</sup> time) (Platinum Category);  
The Economic Times Best Brands 2015 : Aquaguard ;  
Forbes Facility has awarded ISO 22000 : HACCP (Food Safety) for its Quality Management System ;  
Frost & Sullivan Award : India Water Purifiers Market Leadership Award 2015;

Procurement Excellence Award conferred to Aquamall: Consumer Durables Category;

Design prestigious “Plus X Award” awarded for a product Lux New home cleaning system S115;

Forbes Lux ranked No. 34 in DSN Global 100 2015 rankings;

Won prestigious UNESCO-Water Digest Award for the 9<sup>th</sup> time;

- Best Complete Domestic Water Solutions Provider: 'Drinking';
- Best Water technology of the year – Aquaguard Geneus;
- Best Domestic Water Purifier (Best RO+UV+UF): Aquaguard Enhance RO+UV+UF;
- Best Domestic Water Purifier –UV/UF/Nano Silver – Dr. Aquaguard Eterniti; and
- Best Domestic Water Purifier: RO: Dr. Aquaguard Magna Green RO.

#### **Forbes Technosys Limited (FTL)**

During FY 2015-16, FTL continued its growth across multiple sectors and dimensions, albeit with some challenges. The FY 2015-16 was a year of consolidation for FTL across its business verticals and product range in a challenging business environment particularly for the ATM, Cash Deposit and Recycler, Sorter and Coin Vending business segment as Banks had put procurement plans on a hold due to the withdrawal of subsidies by the Reserve Bank of India, in June '2015. Earlier, the subsidies which were introduced in the previous year incentivized and partially reimbursed banks for purchasing and deploying these machines. This withdrawal impacted the sales volume of these products negatively and consequently the profitability of FTL which had in previous years been the main contributor to the Company's profit margins. Despite the setback, FTL continued to establish leadership in e-lobbies, Passbook Printing Kiosks and Automatic Ticket Vending Machines.

FTL received and executed a large order for Passbook Printing Kiosks from the State Bank of India; the, largest single deployment of Passbook Printing Kiosks in a single year in India so far.

FTL also got major orders from the Corporation Bank and, the Union Bank of India who, using hardware manufactured by FTL, set up fully electronic Self Service Branches called e-lobbies to enhance their services to customers.

FTL had an impressive foray into the Transportation segment and received significant orders from the Indian Railways across the country for over 1000 ATVMs (Automatic Ticket Vending Machines) including Cash based ATVMs.

FTL received many more awards and recognition which included The Innovation Excellence Award for (Innovation in Banking - for its patent pending - Multi-function ATM), at the Innovative India Summit 2020 organized by the ASSOCHAM and co-sponsored by the Department of Scientific and Industrial Research - (DSIR), Ministry of Comm. & IT and National Innovation Foundation of India.

FTL continues to make investments in new services such as Domestic Money Transfer, infrastructure creation, expansion of offices, service network, new product development and exports. These investments will help FTL in addressing emerging opportunities in domestic and international markets in the near future.

The FY 2015-16 saw the successful launch of the Domestic Money

Transfer business of Forbes Xpress which operates through a network of franchisees that also provide other services like recharging, bill payments and ticketing.

Future plans and strategy include the creation of new products and solutions for long term profitable growth, such as:

- Specialized Solutions for Payment Banks and Small Banks;
- Next Generation Cash Deposit Kiosk; and
- Cash Recyclers

#### **Shapoorji Pallonji Forbes Shipping Limited [(SPFSL, formerly SCI Forbes Limited)]**

Generally, improved freight rates, good financial management and tighter expenditure control resulted in a significant improvement in performance of SPFSL and it was able to service the debt, with ease and partially prepaid USD 3.0 million to its lender, in March '2016.

Earnings enhanced mainly due to improved freight rates, lower fuel prices, and better fuel management and steady contracts of affreightment. The chemical markets performed better in the FY 2015-16 as compared to the earlier year which were reflected in the higher yields.

The four tankers were well maintained and operated efficiently. All the vessels enjoy at least five oil major 'approvals' including approval by Shell. The average down time for the year has been just 0.42 days per ship, significantly better than the industry average.

During the year, all the vessels continued to trade east of the Suez Canal. The general route was West Asia Gulf (WAG) to India. The ships remained in the MARIDA POOL which had a fleet of eighteen vessels but now has 7 ships because Nordic AS Tankers and Clipper have sold all their small sized tankers and left the MARIDA Pool.

The chemical markets improved marginally this year and the bottom line improved significantly owing to low fuel prices.

The Pool has three 'Contracts of Affreightment' to lift regular cargoes out of Saudi Arabia, Qatar and Oman. This not only helps fill up the vessels substantially but also permits an opportunity to attract small spot parcels of chemicals from the load ports.

#### **Forbes Bumi Armada Offshore Limited (FBAOL)**

FBAOL was earlier awarded a 7 year contract by the Oil & Natural Gas Corporation Limited (ONGC) for providing a Floating Production Supply and Offloading Vessel (FPSO) on Charter Hire, including its Operation & Maintenance. FBAOL has mobilized and deployed the FPSO Armada Sterling facility along with its crew in the D1 field of ONGC against the said contract.

FPSO Armada Sterling completed its third year of operations without Lost Time Injury (LTI) on April 22, 2016. Uptime of FPSO during the FY 2015-16 was nearly 100%.

The gross revenue from operations for the financial year ended March 31, 2016 stood at Rs. 526.47 crores compared to Rs. 492.41 crores for the financial year ended March 31, 2015. However, the profits were significantly impacted due to major increase in operational expenditure for replacement of two gas turbine generators amounting to Rs. 25.30 crores, which is part of the expenditure over the life cycle of the assets.

#### **Forbes Bumi Armada Limited (FBAL)**

FBAL commenced provision of manning services after receiving Recruitment and Placement Services License from the Director General of Shipping. The gross revenue from operations for the financial year ended March 31, 2016 stood at Rs. 54.61 crores compared to Rs. 26.85 crores for the financial year ended March 31, 2015.

#### **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. An application to get Svadeshi out of liquidation had been filed with the Hon'ble High Court, Bombay which was dismissed and the Official Liquidator was directed to proceed expeditiously for winding up Svadeshi. The Company filed an appeal before the Hon'ble Division Bench, High Court, Bombay, which was dismissed.

The Company filed a Special Leave Petition before the Hon'ble Supreme Court (SC) which was also dismissed. Thereafter a Review Petition has been filed before the SC and the same is pending hearing.

The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues along with a nominal interest thereon.

#### **Dividend and Transfer to Reserves**

Though the Company had made marginal profits on standalone basis, in view of the funding requirements for existing businesses of the Company, the Directors regret their inability to recommend any dividend. No amount has been transferred to the reserves during the year.

#### **Share Capital**

The paid up Equity Share Capital of the Company as on March 31, 2016 was Rs.1289.86 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, 2016 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 Rs. 100 crores were outstanding during the year ended March 31, 2016. NCDs aggregating to Rs. 40 crores were redeemed on April 27, 2016.

#### **Deposits**

The Company has not accepted deposits from public falling within the ambit of Section 73 of the Companies Act, 2013 (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.



### **Particulars of loans, guarantees and investments**

Particulars of Loans, Guarantees or 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 'II' 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 Control Systems and 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.

Deloitte Haskins & Sells LLP, the statutory auditors of the Company has audited the financial statements included in this annual report and has issued a report on our internal financial controls over financial reporting as defined in Section 143 of the Act.

### **Statutory Compliances**

The Company ensures compliance of applicable laws. 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 in line 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. During FY 2015-16, 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 is attached. 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 Board of Directors of the Company has voluntarily constituted a Corporate Social Responsibility Committee in compliance with Section 135 of the Act. However under the provisions of the Act, the Company is not required to undertake any project. The Corporate Social Responsibility Policy adopted by the Board aims to focus on areas of Health, Education, Environment Preservation, Rehabilitation of families affected by natural calamities and General Improvement in quality of life.

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.

### **Risk Management**

Risk management process includes identification of risk, its underlying dynamics, mitigation mechanism, prioritization of risk, measurement of key indicators and establishing a monitoring system. A Company-wide awareness of risk management policies and practices are being inculcated to minimize the adverse effect of risks on the operating results and the subject of management of risks is being approached in a planned and co-ordinated manner. Elucidation of role clarity, understanding of level of authority and reporting system is expected to help this process significantly. It is realized that this is a continuous process, requiring continued updating, based on changing business conditions and that risk management and performance improvement will go hand in hand.

### **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. Jai Mavani 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.

As per the retirement policy of the Company, Mr. Ashok Barat was due for retirement in December '2016. However, to facilitate completion of transition, Mr. Barat vacated the Board position as a Member and Managing Director of the Company from the close of business hours of

April 27, 2016. He would however, continue to be on the rolls of the Company as an employee till June 30, 2016.

Mr. Mahesh C. Tahilyani was appointed as an Additional Director and subject to the approval of the shareholders, Managing Director of the Company with effect from April 28, 2016.

Ms. Ameeta Chatterjee, Mr. T.R. Doongaji, and Mr. Kannan Dasaratharaman, Independent Directors of the Company resigned due to other personal and professional commitments with effect from April 1, 2016, May 4, 2016 and May 6, 2016 respectively.

Ms. Sunetra Ganesan resigned as Chief Financial Officer of the Company with effect from April 30, 2016.

The Board of Directors place on record their sincere appreciation for the valuable services rendered by Ms. Ameeta Chatterjee, Mr. T R Doongaji, Mr. Kannan Dasaratharaman and Mr. Ashok Barat to the Board and to the Company and Ms. Sunetra Ganesan as Chief Financial Officer of the Company.

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.

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](http://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 & Remuneration Committee, 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, 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 "III" 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 'IV' to this Report.

#### **Meetings of the Board**

The Board met at least once in each quarter and 7 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 financial year 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**

Members are requested to re-appoint Deloitte Haskins & Sells LLP (DHS) as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting of the Company till the next Annual General Meeting of the Company and authorize the Board to fix their remuneration. DHS has confirmed their eligibility under Section 141 of the Act and the Rules framed thereunder, for re-appointment as Auditors of the Company. As required under Regulation 33 (d) of the SEBI (LODR), 2015, the auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The Audit Report forms part of the Annual Report. The Auditors have referred to certain matters in their report on Consolidated Financial Statements to the shareholders, which read with relevant note No.s 31(c), 31(j), 42 and 48 in the 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 2016 – 2017 on a remuneration of Rs. 4.35 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 Ninety Seventh 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 'V'.

### **Human Resources Development and Industrial Relations**

The major focus during the year continued to be partnering with businesses & divisions with a view to enabling the businesses through focus on systems & processes, talent acquisition and development. Performance Management System was strengthened with specific Key Result Areas/Key Performance Indicators and linkage of performance to Variable Pay. Human Resources partnered in a major way to drive the transformational initiative of Engineering Division called ACE (Adapt, Change & Excel) which redefined the vision and mission of the Division. Learning and development interventions, pertaining to both domain and soft skills were done in the Divisions & Corporate Functions. From a Leadership Development perspective, identified high potential employees from across divisions were nominated to SP Group Talent Development Programs 'Shikhar' and 'Udaan'. Employee

Engagement levels were kept high through various cultural and other functions including participation in the social causes through Daan Utsav/Joy of Giving Week. Employee relations at large and relations with all the unit unions continued to be cordial with focus on productivity and efficiency.

### **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 'VI'.

### **Extract of Annual Report**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed herewith as Annexure 'VII' and forms part of this Report.

### **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 Director 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 of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 30, 2016.

**FORM AOC-I**  
**(Pursuant to first proviso to sub-section (30) 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"**

Sr. No.	Name of Subsidiary	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	EFL Marutius Limited			Euro Forbes Limited Dubai			Forbes Bumi Armada Offshore Limited	Forbes Bumi Armada Limited	Forbes Campbell Services Limited	Forbes Enviro Solutions Limited	Forbes Facility Services Private Limited
				in EUR	Rate	₹ In Lakhs	in US\$	Rate	₹ In Lakhs					
		31/3/2016			AVG									31/3/2016
(a)	Share Capital	300.00	▼	287.20	73.93	▼ 21,234.26	▼	97.33	63.53	▼ 6,182.92	◆	5.00	▼ 282.73	▼ 100.00
(b)	Reserves & Surplus	(167.03)	★	24.10	176.72	4,258.27	★	(44.37)	60.42	★ 2,681.30	3.51	★	(60.42)	78.35
(c)	Total Assets	146.73	▲	315.66	81.80	25,819.92	3.42	366.19	66.13	24,214.88	11.61	1,773.49	3,821.05	3,821.05
(d)	Total Liabilities	13.76		4.36	75.06	327.38	0.50	313.24	66.13	20,713.25	3.10	1,551.18	3,642.70	3,642.70
(e)	Investments	-		313.49	81.84	25,657.14	-	141.32	66.13	9,344.89	222.06	11.70	1.00	-
(f)	Turnover	136.58		-	-	-	-	-	-	-	5,461.04	48.60	2,845.15	11,237.32
(g)	Profit before Taxation	8.13		(0.13)	72.95	(9.39)	(0.32)	(2.93)	64.45	(188.73)	130.48	3.08	13.01	(45.14)
(h)	Provision for Taxation	-		-	-	-	-	-	-	-	41.67	0.95	(0.91)	(54.67)
(i)	Profit After Taxation	8.13		(0.13)	72.95	(9.39)	(0.32)	(2.93)	64.45	(188.73)	88.81	2.13	13.91	9.53
(j)	Proposed Dividend	-		-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100		100	100	100	100	100	100	100	51.00	98.00	100.00	100.00



**FORM AOC-I**  
**(Pursuant to first proviso to sub-section (30) 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"**

Sr. No.	Name of Subsidiary	Forbes Lux FZCO				Forbes Lux Group AG				Forbes Lux International AG				Forbes Technosys Limited				Forbes Campbell Finance Limited				Lux Aqua GmbH, Switzerland				Lux Aqua Hungary KFT				Lux CZ s.r.o.			
		31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015			
		in S \$	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	czk	Rate	₹ In Lakhs	AVG				
(a)	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period																																
(b)	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries																																
(a)	Share Capital	▲139.64	63.37	▲8,849.06	10.00	69.37	693.70	710.00	66.01	▲46,869.43	5,889.72	386.41	0.20	13.32	600.00	66.61	13.32	600.00	0.23	138.47	2000.00	2.79	557.52										
(b)	Reserves & Surplus	★(67.35)	60.43	★(4,069.84)	8.86	63.49	562.62	★(40.18)	211.90	★(4,526.78)	★(289.54)	(0.05)	(3.54)	(77.36)	0.23	(17.85)	(77.36)	0.23	(17.85)	★(131.89)	2.85	★(375.28)											
(c)	Total Assets	▲313.82	66.12	20,750.98	24.94	66.61	1,660.93	904.54	59.69	53,987.44	25,184.59	1,849.35	5.39	359.25	3,925.47	66.61	359.25	3,925.47	0.23	905.92	136.99	2.67	366.53										
(d)	Total Liabilities	241.53	66.13	15,971.75	6.07	66.58	404.61	234.72	66.60	15,632.44	23,821.65	1,752.47	5.25	349.47	3,402.83	66.61	349.47	3,402.83	0.23	785.31	68.88	2.67	184.30										
(e)	Investments	-	-	-	11.39	66.59	758.55	843.54	59.19	49,925.39	-	1,631.24	2.08	138.28	-	66.61	138.28	-	-	-	-	-	-	-	-	-	-	-	-	-			
(f)	Turnover	35.26	64.45	2,272.38	4.68	66.78	312.55	-	-	34,360.87	4.80	-	-	-	79.52	0.23	18.24	79.52	0.23	18.24	377.92	2.62	988.61										
(g)	Profit before Taxation	(17.71)	63.97	(1,133.13)	3.33	66.64	222.21	(28.49)	66.81	(1,903.66)	(2,733.73)	2.15	(0.05)	(3.55)	(77.36)	66.78	(3.55)	(77.36)	0.23	(17.75)	(84.21)	2.62	(220.29)										
(h)	Provision for Taxation	-	-	-	-	-	-	2.72	66.81	181.67	-	0.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(l)	Profit After Taxation	(17.71)	63.97	(1,133.13)	3.33	66.64	222.21	(31.21)	66.81	(2,085.33)	(2,733.73)	1.79	(0.05)	(3.55)	(77.36)	66.78	(3.55)	(77.36)	0.23	(17.75)	(84.21)	2.62	(220.29)										
(i)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
(k)	% of Shareholding		99				100			100						100				100										100			

**FORM AOC-I**  
**(Pursuant to first proviso to sub-section (30) 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"**

Sr. No.	Name of Subsidiary	Lux (Deutschland)GmbH			Lux Del Paraguay S.A.			Lux Hungaria Kereskedelmi Kft			Lux International AG			Lux Italia srl			Lux Norge A/s			
		Euro	₹ In Lakhs	Rate	PYG	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	Euro	Rate	₹ In Lakhs	NOK	Rate	₹ In Lakhs	
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period																			
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries																			
(a)	Share Capital	₹ 71.53	6,077.19	84.96	50,000.00	0.01	671.00	₹ 300.00	0.29	85.96	75.00	5,202.73	1.10	84.96	93.46	85.00	8.53	725.28		
(b)	Reserves & Surplus	₹ (61.26)	(5,336.59)	87.10	15,125.47	0.00	56.45	11,634.64	0.23	2,668.31	114.25	7,402.60	(91.06)	2.06	(187.21)	(50.79)	8.03	(407.60)		
(c)	Total Assets	136.72	9,859.79	72.11	297,289.33	0.01	3,320.72	22,433.77	0.23	5,177.27	308.62	20,556.47	4.71	72.12	339.67	192.70	7.56	1,456.78		
(d)	Total Liabilities	126.45	9,119.19	72.11	232,163.86	0.01	2,593.27	10,499.13	0.23	2,422.99	119.37	7,951.15	94.67	4.58	433.43	158.49	7.19	1,139.10		
(e)	Investments	53.25	3,840.27	72.12	-	-	-	-	-	-	228.77	15,237.50	-	-	-	-	-	-	-	
(f)	Turnover	172.34	12,261.42	71.15	289,396.17	0.01	3,430.79	28,543.95	0.23	6,548.20	-	-	17.91	71.15	1,274.26	344.67	7.79	2,689.16		
(g)	Profit before Taxation	(6.41)	(455.95)	71.15	(10,278.67)	0.01	(121.85)	14.25	0.23	3.27	(17.17)	(1,146.56)	(1.44)	71.15	(102.45)	(43.30)	7.79	(337.82)		
(h)	Provision for Taxation	(0.40)	(28.69)	71.15	(445.33)	0.01	(5.28)	-	-	-	(0.03)	(1.89)	(0.04)	71.17	(2.85)	(8.03)	7.79	(62.64)		
(i)	Profit After Taxation	(6.81)	(484.65)	71.15	(10,724.00)	0.01	(127.13)	14.25	0.23	3.27	(17.20)	(1,148.45)	(1.48)	71.15	(105.30)	(35.27)	7.79	(275.17)		
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(k)	% of Shareholding			100		100			100			100		100			100			

**FORM AOC-I**  
**(Pursuant to first proviso to sub-section (30) 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"**

Sr. No.	Name of Subsidiary	Lux Oesterreich GmbH			Lux Schweiz AG			Lux / SK s.r.o. (Lu Slavovka)			Lux Service GmbH			LIAG Trading & Investment Limited			Shapoorji Paltonji Forbes Shipping Services Limited ●	Volkart Fleming Shipping & Services Limited
		Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/12/2015	31/3/2016			
		Euro	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	Euro	Rate	₹ In Lakhs	Euro	Rate	₹ In Lakhs	in US	Rate	₹ In Lakhs		
			AVG			AVG			AVG			AVG						
(a)	Share Capital	5.00	84.96	424.80	1.00	69.37	69.37	5.63	73.83	424.63	0.25	73.79	18.45	0.28	66.13	18.18	28,360.00	
(b)	Reserves & Surplus	1.15	16.14	18.51	0.95	61.10	67.17	(5.22)	67.93	(395.03)	-	-	(0.42)	(0.07)	66.13	(4.81)	(9,998.70)	
(c)	Total Assets ▲	24.83	72.12	1,790.35	7.02	64.24	467.69	1.77	68.19	127.57	26.09	72.12	1,881.46	0.35	66.13	22.85	39,134.85	
(d)	Total Liabilities	18.68	72.12	1,347.04	5.07	64.21	331.15	1.36	50.88	97.96	25.84	72.12	1,863.43	0.14	66.13	9.48	20,773.55	
(e)	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3.91	
(f)	Turnover	49.68	71.15	3,534.48	18.84	65.88	1,258.18	6.31	79.88	449.17	102.98	71.15	7,326.45	-	-	-	10,084.13	
(g)	Profit before Taxation	1.26	71.15	89.43	0.89	65.62	59.59	(2.01)	80.57	(143.19)	-	-	-	(0.07)	64.45	(4.68)	1,155.83	
(h)	Provision for Taxation	(0.11)	71.15	(7.83)	0.00	-	0.24	0.03	83.11	2.05	-	-	-	-	-	-	13.84	
(i)	Profit After Taxation	1.15	71.15	81.61	0.90	66.10	59.83	(2.04)	80.62	(145.24)	-	-	-	(0.07)	64.45	(4.68)	1,141.99	
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(k)	% of Shareholding		100			100			100			100		100		25	100	

★ Net of Debit balance of Profit & Loss Accounts.

▲ Includes Investments

● Shapoorji Paltonji Forbes Shipping Limited became subsidiary w.e.f. 01/12/2014 by virtue of control over the composition of the Board of Directors.

◆ Held by Eureka Forbes Limited, a subsidiary of the Company.

♦ Held by Forbes Campbell Finance Limited, a subsidiary of the company

▲ Held by Euro Forbes Limited Dubai, a subsidiary of Eureka Forbes Limited

▲ Held by Aquamal Water Solution Limited, a subsidiary of Eureka Forbes Limited

▲ Held by Forbes Lux International AG, a subsidiary of Aquamal Water Solution Limited

▲ Held by Lux International AG, a subsidiary of Forbes Lux International AG

▲ Held by Lux (Deutschland) GMBH, a subsidiary of Lux International AG.

▲ Held by Forbes Lux Group AG Baar, a subsidiary of Forbes Lux International AG

▲ Held by Lux Aqua GmbH, a subsidiary of Lux International AG

## 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	Forbes GAS Solutions Private Limited	Aquaginis Technologies Private Limited	AMC Cookware PTE Limited	The Svadeshi Mills Company Limited	Euro P2P Direct (Thailand) Company Limited	Forbes Container Lines Pvt.Ltd.	Nuevo Consultancy Services Limited	Forbesline Shipping Services LLC
1	Latest Audited Balance sheet Date	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016	31/03/2016		31.12.2015	31/03/2015	31/03/2016	31/03/2016
2	Share of Associate/ Joint Venture held by the company on the year end											
	Number of share held	★ 500,000	★ 2,625,000	★ 3,500,000	★ 5,000	● 2,927,867	★ 5,000	1,769,430	★ 19,596	864,960	58,849	▲ 147
	Amount of Investment (Rs.)	50,000	262.50	350,000	0.50	292.79	0.50	285.26	26.68	271.26	5.88	53.34
	Extend of Holding %	50%	50%	50%	50%	50%	50%	23%	49%	29.56%	49%	49%
3	Description of how there is significant influence	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate, JV	Associate	Associate	Associate	Associate	Associate
4	Reason why the associate/ Joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (Rs.)	418.30	6.09	1,239.02	(2.36)	190.54	1,229.61	●●	(2,445.50)	-	(687.52)	-
6	Profit/Loss for the year											
	(1) Consider in Consolidation (Rs.)	167.10	(0.05)	293.98	(0.09)	(10.56)	31.31	●●●	(411.99)	(2,511.30)		(90.30)
	(2) Not Considered in Consolidation (Rs.)	-	-	-	-	-	-	-	-	-	249.82	-

★ Heldby/Eureka Forbes Limited, a subsidiary of Forbes &amp; Company Limited

★ Held by Lux International AG, a subsidiary of ForbesLux International AG

★ Heldby Forbes Lux International AG, a subsidiary of Aquamall Water Solution Limited

● Heldby/Aquamall Water Solutions Limited, a subsidiary of Eureka Forbes Limited

▲ Heldby/Forbes Container Line Pte Limited, an associate of Forbes &amp; Company

●● Assets of Company including assets of Coromandel Garments Limited, subsidiary of Svadeshi Mills Company Limited continued to be in the hands of the Official Liquidator, High Court Bombay.

●●● In the absence of the financial statements being available, these consolidated financial statements do not include the effect, if any, of equity accounting for investment in this associate; the investment in this associate have been fully provided for.

For and on behalf of the Board of Directors

Shapoor P. Mistry  
Chairman

Mumbai: May 30, 2016



**Annexure 'II'**

**Annexure 'III'**

**Particulars of contracts or arrangements with related parties**

**Form No. AOC-2**

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

1	Details of contracts/arrangements or transactions not at arm's length basis	Nil
2	Details of the material contracts /arrangements or transactions at arm's length basis :	Nil
	a Name of related party and nature of relationship	Nil
	b Nature of contracts/arrangements/transactions	Nil
	c Duration of Contract/arrangements/transactions	Nil
	d Salient terms of the contract / arrangement / transactions including value, if any	Nil
	e Details of approval of the Board	Nil
	f Amount paid as advance, if any	Nil

For and on behalf of the Board of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 30, 2016

**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 LISTING AGREEMENT**

Clause 49 IV (B) 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. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

49 III (E) 5 provides that the appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.

**DEFINITIONS & 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 Listing Agreement 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 Listing Agreement, the provisions of Act and/or the Listing Agreement shall prevail.
- ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the Listing Agreement 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:

- Ensuring 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;
- Ensuring that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- Ensuring 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 of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 30, 2016



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

**1. Ratio of the remuneration of each director to the median remuneration of the employees<sup>1</sup> of the Company for the financial year ended March 31, 2016.**

Non-Executive Directors of the Board were paid only sitting fees during the financial year ended March 31, 2016 as follows:

Director	Sitting Fees (Rs in lakhs)	Ratio to Median (No. of times to Median Salary)
<b>Non- Executive Directors</b>		
Mr. Shapoor P. Mistry	1.30	0.28:1
Mr. S. L. Goklaney	2.90	0.63:1
Mr. T. R. Doongaji	6.70	1.45:1
Mr. Kaiwan D. Kalyaniwalla	7.20	1.56:1
Mr. D. Sivanandhan	3.60	0.78:1
Mr. Jimmy J. Parakh	2.40	0.52:1
Mr. Jai L. Mavani	2.90	0.63:1
Ms. Ameeta Chatterjee	6.40	1.39:1
Mr. Kannan Dasaratharaman	3.10	0.67:1

**Remuneration to Executive Director**

Director	(Rs in lakhs)	Ratio to Median (No. of times to Median Salary)
Mr. Ashok Barat	142.72	30.89:1

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

Executive Director, Chief Financial Officer and Company Secretary	% increase on Fixed Pay	% increase on Cost To Company
Mr. Ashok Barat, Managing Director	5%	10%
Ms. Sunetra Ganesan, Chief Financial Officer	12%	12%
Mr. Pankaj Khattar	15.8%	15%

**3. Percentage increase in the median remuneration of employees in the financial 2015-2016.**

The increase in median remuneration was 13 %. The range of increase was from 0 % to 21% barring a few employees who were given a higher percentage increase/market correction for market parity. Some underperforming employees, were not given an increase and were either separated or put on a Performance Improvement Plan.

**4. Number of permanent employees on the rolls of Company as on March 31, 2016 were 595 and in the previous year were 597.**

**5. Explanation on the relationship between average increase in remuneration and company performance.**

The average increase in remuneration of all employees excluding KMPs was 12%.

The aggregate remuneration of KMPs was Rs. 286.94 Lakhs. The average increase in remuneration of KMPs was 11.5%.

The median salary was Rs. 4.62 Lakhs.

The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

**6. Comparison of the remuneration of the KMP against the performance of the Company.**

Each KMP's remuneration is based on his qualification, experience, nature of job, industry benchmark, earlier salary and many other factors, comparison of one against the other is not feasible. Overall performance of the Company has been satisfactory.

<sup>1</sup>Employees for the purpose of this annexure means only permanent employees (excluding permanent bargainable employees). The annual wage increments of permanent bargainable employees are governed by settlement agreements which are held every 5-8 years.

7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous year.

Date	Closing Market Price in Rs.	EPS in Rs	P/E ratio	Market Capitalisation Rs. Crores	% Change
March 31, 2015	Rs. 1726.00	Rs. (0.45)	NA*	2226.30	NA
March 31, 2016	Rs. 1213.75	Rs. 1.72	705.67	1565.56	(29.68)

\* Not applicable

The Company was incorporated on November 18, 1919 to take over assets and liabilities of 'The Gokak Water Power and Manufacturing Company Ltd' as a going concern. The present share capital of the Company comprises of shares subscribed by the Promoters in year 1919, shares issued for consideration other than cash in year 1954, various rights issues and bonus shares over the years, shares issued to the shareholders of the transferor companies upon amalgamation/mergers with the Company. As such the information relating to percentage increase/ decrease in the market price of the shares of the Company in comparison to the rate at which the shares were last offered to public, is not applicable.

8. 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 remuneration of the Managing Director was increased by 10%. The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

9. Comparison of the each remuneration of Managing Director, Chief Financial Officer and Company Secretary against the performance of the company.

Rs. in Lakhs

Particulars	Mr. Ashok Barat, Managing Director	Ms. Sunetra Ganesan, Chief Financial Officer	Mr. Pankaj Khattar, Company Secretary
Remuneration in FY 2015-16	142.72	95.15	49.07
Revenue from Operations	25250	25250	25250
Remuneration as % of Revenue	0.57	0.38	0.19
Earnings Before Interest, Depreciation & Taxation (EBIDT)	2954	2954	2954
Remuneration as % of EBIDT	4.83	3.22	1.66

10. The key parameters for any variable component of remuneration availed by the directors.

The members have at the Annual General Meeting held on August 2, 2013 approved payment of commission to the non-executive directors within the ceiling of 1% of net profits of the company as computed under the applicable provisions of the Act. However, the Company has not paid any commission to any of the Directors during FY 2015-16.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year

During the year one employee received remuneration more than that of the highest paid Executive Director. The ratio of remuneration of the highest paid Executive Director to that of the aforesaid employee is 0.90:1.

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

For and on behalf of the Board of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 30, 2016

## SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31<sup>st</sup> March 2016

[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

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 31<sup>st</sup> March, 2016 ('**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 31<sup>st</sup> March, 2016 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, 1992/ 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. (**Not Applicable to the Company during the Audit Period**)

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28<sup>th</sup> October, 2014 and its amendments notified on 18<sup>th</sup> September, 2015. (**Not Applicable 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 during the audit period**) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not Applicable during the audit period**).

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (**Notified with effect from 1<sup>st</sup> July, 2015**).
- (ii) The Listing Agreements entered into by the Company with stock exchanges and SEBI (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**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following law applicable specifically to the Company:

The Multimodal Transportation of Goods Act, 1993.

**We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally 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 or majority 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 obtained consent of Members of the Company through Postal Ballot dated 18<sup>th</sup> February, 2016 to approve sale, transfer or disposal of Logistics Business and /or Container Freight Stations of the Company situated at Mundra, in Gujarat and /or Veshvi (Jawaharlal Nehru Port Trust) near Mumbai of the Company for an amount not less than Rs. 93.50 Crores.

The Company has obtained consent of Members of the Company in the Annual General Meeting held on 1<sup>st</sup> September, 2015 to raise funds through Private Placement of Unsecured or Secured, Listed or Un-listed, Non-Convertible Debentures (“NCDs”) up to Rs. 100 Crores.

**For Makarand M. Joshi & Co.**

**Kumudini Paranjape**  
**Partner**  
Membership No.: 6667  
CPNo. 6690

Place: Mumbai  
Date: 30<sup>th</sup> May, 2016



**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 the Directors' Report for the year ended March 31, 2016**

**(A) Conservation of Energy:**

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

**(a) ENERGY CONSERVATION MEASURES TAKEN:**

1. Companywide energy Kaizen initiated through employee participation.
2. Conventional lighting arrangements replaced with LED lights -9000 KWH saved
3. Electrical motors & drive equipment optimization achieved. -11000 KWH saved
4. Compressors airlines consolidation to reduce air consumption -45000 KWH saved.
5. Optimization of maximum demand (MD)

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

1. Saving of approx. 70,000 Kwh on an annualized basis due to the measure taken at (a) (2) (3) (4) (5) above resulting in saving of Rs.14 Lakhs p.a

(ii) Steps taken for utilizing alternate sources of energy: None

(iii) Capital investment on energy conservation equipment: Nil

**(B) Technology Absorption:**

1. Efforts, in brief, made towards technology

- a) New product program in High performance tooling introduce for material categories like hard part machining 50-70 HRC, exotic materials, graphite milling tec. Total 30 different programs are introduced in seven different categories.
- b) Entrance in Carbide rods & wear part business. Able to put foot print & convert business above 300L in first seven months
- c) HSS machine taps product range extension through design development into the application areas of Stainless steel, Titanium & difficult to machine materials.
- d) Vision System introductions in CBG business with the infusion of OCR technology & software interface to offer solutions to automotive industry.
- e) Introduction of CO2 lasers for non-metal laser marking applications.

2. Benefits derived as result of the above

- a) Better product profitability, expanded product portfolio to compete against multinationals.
- b) Entry into European, South East Asian market.
- c) With new High performance tooling will be able to cater bigger segment of market in Die & Mold industry with existing product segment.
- d) Entry in carbide rods & wear part business has opened new market segment like cutting tool industry, Measuring / Inspection industry, fasters, packaging & mining industry.
- e) Introduction of Laser and vision technology in CBG business has given to new product verticals for future growth.

3. In case of import of technology (imported during the last 3 years reckoned from the beginning of the financial year) the following information may be furnished.

- |  |                          |
|--|--------------------------|
| a) Technology imported   | } Nil and Not Applicable |
| b) Year of import  |                          |
| c) Has technology been fully absorbed  |                          |
| d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action. |                          |

**(C) Research and Development (R & D)**

1. Specific in which a) Development of Application specific R & D Carried tool geometries for High performance Taps for Stainless Steel, Forged Steel & Titanium with through coolant features.
  - b) Cryogenic treatment for HSS Taps
  - c) Third Wave Simulation software installed.
  - d) Interfacing OCR technology with Marking application.
2. Benefits derived as a result of the above R & D:
  - a) New products developed by R&D have application specific tool geometries resulted in acquisition requirements of OEM's in competition with Global players.
  - b) Improved tool performance & reliability
  - c) The software facilitates for Design validations.
  - d) Opened up new business vertical in vision systems under CBG
3. Future course of action:
  - (i) Lateral deployment for proved geometries across Pan India for increase in market share
  - (ii) New fully automatic non-contact inspection equipment for accurate measurements of cutting tools.
  - (iii) Vision system applications in Steel, FMCG, Non-Auto Engineering sectors.
4. The expenditure incurred on Research and Development: Rs. 85,50,000/-.

**Foreign exchange earnings and outgo: (Rs. In Lakhs)**

**(a) Foreign exchange earnings:**

1	Export of goods calculated on FOB basis	1,812.51
2	Commission and other Services	153.37
3	Freight and Insurance recoveries	21.63
<b>Total</b>		<b><u>1,987.51</u></b>

**(b) Foreign exchange outgo:**

1	Imports calculated on CIF basis - Raw material	1,879.47
2	Imports calculated on CIF basis - Components	1,205.91
3	Imports calculated on CIF basis - stores, spares and tools	79.00
4	Imports calculated on CIF basis - purchase for re-sale	5.00
5	Imports calculated on CIF basis - Capital Goods	38.06
6	Commission to overseas agents	30.65
7	Foreign travel	55.59
8	Royalty	-
9	Others	51.82
<b>Total</b>		<b><u>3,345.50</u></b>

For and on behalf of the Board of Directors

**Shapoor P. Mistry**  
Chairman

Mumbai, May 30, 2016

**Form No. MGT-9**  
**EXTRACT OF ANNUAL REPORT**

As at March 31, 2016

[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)	<b>CIN</b>	L17110MH1919PLC000628
(ii)	<b>Date of Incorporation</b>	November 18, 1919
(iii)	<b>Name of the Company</b>	FORBES & COMPANY LIMITED
(iv)	<b>Category</b>	Company Limited by Shares
(v)	<b>Sub-category of the Company</b>	Indian Non-Government Company
(vi)	<b>Address of the Registered Office and Contact Details</b>	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)	<b>Whether Listed or Not</b>	Yes
(viii)	<b>Name, Address and Contact Details of Registrar and Transfer Agent, if any</b>	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

**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 and Carbide Tools	28221	30%
Steam Turbines	25939	15%
	28299	12%
Ocean Freight Forwarding	50120	10%
Container Freight Station	52109	15%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES:

Sr. No.	Name and Address 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	Eureka Forbes Ltd. 7, Chakraberia Road, Kolkata – 700025	U27109WB1931PLC007010	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	Forbes Campbell Finance Ltd. Forbes' Building, Charanjit Rai Marg, Fort Mumbai-400 001.	U51103MH1977PLC259702	Subsidiary	100	2(87)
5	Forbes Technosys Ltd Forbes' Building, Charanjit Rai Marg, Fort Mumbai-400 001.	U29290MH1991PLC062425	Subsidiary	100	2(87)
6	Volkart Fleming Shipping and Services Ltd. Cassinath Building, A. K. Nayak Marg, Fort,Mumbai-400001.	U63090MH1920PLC000808	Subsidiary	100	2(87)
7	Forbes Bumi Armada Offshore Ltd. Forbes' Building, Charanjit Rai Marg, Fort Mumbai-400 001.	U11102MH2010PLC209600	Subsidiary	50.001	2(87)
8	Forbes Container Lines Pte.Ltd. 19, Keppel Road, #03-08, Jit Poh Building, Singapore 089058	Not Applicable	Associate	28.99	2(6)
9	The Svadeshi Mills Co. Ltd. (Under Liquidation) Svadeshi Mills Compound Sion, Mumbai 400 022	U99999MH1886PLC000074	Associate	22.70	2(6)
10	Nuevo Consultancy Services Ltd. (Formerly Forbes Infotainment Ltd) Shapoorji Pallonji Centre, 41/44, Minoos Desai Marg, Colaba, Mumbai 400 005	U7200MH2003PLC139672	Associate	49	2(6)
11	EFL Mauritius Ltd 4 <sup>th</sup> Floor, 19 <sup>th</sup> Bank Street, Cybercity Ebene. Mauritius	Not Applicable	Subsidiary	100	2(87)
12	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)
13	Euro Forbes Ltd. 409, City Tower 1, Sheikh Zayed Road, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
14	Forbes Bumi Armada Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U35100MH2006PLC159958	Subsidiary	51	2(87)
15	Forbes Campbell Services Ltd. Cassinath Building, A K Nayak Marg, Fort, Mumbai 400 001	U74140MH1975PLC018077	Subsidiary	98	2(87)
16	Forbes Edumetry Ltd.(Under Liquidation) Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U72900MH2005PLC157375	Subsidiary	57.50	2(87)
17	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)
18	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)
19	Forbes Lux FZCO LOB 17, Office 207, PO Box 261698 Jebel Ali, Dubai, United Arab Emirates	Not Applicable	Subsidiary	99.42	2(87)
20	Forbes Lux Group AG Blickensdorferstrasse 21B 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
21	Forbes Lux International AG Blickensdorferstrasse 21B 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
22	Lux (Deutschland) GmbH Petersberger Strasse 21 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
23	Lux( CZ), s.r.o Brunclikova 17/1875 16200 Praha 6, Czech Republic	Not Applicable	Subsidiary	100	2(87)
24	Lux Hungaria Kereskedelmi.Kft Javor u. 5/a 1145 Budapest, Hungary	Not Applicable	Subsidiary	100	2(87)
25	Lux International AG Blickensdorferstrasse 21B 6340 Baar Switzerland	Not Applicable	Subsidiary	100	2(87)
26	Lux Italia s.r.l Viale Colleoni, 5 Palazzo Taurus Ingresso 3 20041 Agrate Brianza MI, Italy	Not Applicable	Subsidiary	100	2(87)



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
27	Lux Norge AS Sandstuveien 70 0680 Oslo, Norway	Not Applicable	Subsidiary	100	2(87)
28	Lux Osterreich GmbH Concorde Park, 1/B3/Top 31 2320 Schwechat, Austria	Not Applicable	Subsidiary	100	2(87)
29	Lux Schweiz AG Blickensdorferstrasse 21B 6340 Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
30	Lux Service GmbH Petersberger Strasse 21 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
31	Lux / Sk / s.r.o Svrca 25 841 04 Bratislava, Slovakia	Not Applicable	Subsidiary	100	2(87)
32	LIAG Trading & Investments Ltd 409, City Tower 1 Sheikh Zayed Road, P.O. Box 118767, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
33	Shapoorji Pallonji Forbes Shipping Ltd Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U61100MH2006PLC163149	Subsidiary	25	2(87)
34	Aquadiagnostics Water Research & Technology Centre Limited No.143, C-4, Bommasandra Industrial Area Off Hosur Road, Anekal Taluk, Bangalore 560 099	U73100KA2008PLC045994	Subsidiary	100	2(87)
35	Aquamall Water Solutions Ltd Flat No. 20, 1st Floor, Soni Business Complex, Prasanthi Nagar, Kukatpally, Hyderabad 500 072	U29219TG1980PLC002851	Subsidiary	100	2(87)
36	Euro P2P Direct (Thailand) Co. Ltd 98/120-121, Nuanchan Road, Nuanchan, Khet Bungkum, Bangkok 10230. Thailand	Not Applicable	Associate	49	2(6)
37	The Coromandel Garments Limited (Wholly owned subsidiary of The Svadeshi Mills Co. Ltd (Under Liquidation) Plot NO. 21, Ambattur Industrial Estate, Chennai - 600 050.	Not Applicable	Associate	22.70	2(6)
38	Forbesline Shipping Services LLC Post Box No. 127224, Office 218, Al Ain Centre, Dubai, United Arab Emirates	Not Applicable	Associate	49*	2(6)
39	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)
40	Forbes Aquatech Ltd. 36/4, Annexe Building, 4 <sup>th</sup> Cross, Raghavendra Nagar, Hnr Layout, Hennur Ring Road, Bangalore, Karnataka, 560 043	U28122KA2003PLC032492	Associate	50	2(6)

\*Held by Forbes Container Line Pte Ltd

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
41	Forbes Concept Hospitality Services Pvt Ltd. B1/B2, 7 <sup>th</sup> Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U55101MH2006PTC162855	Associate	50	2(6)
42	Infinite Water Solutions Pvt Ltd B1/B2, 7 <sup>th</sup> Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U749999MH2008PTC180918	Associate	50	2(6)
43	Forbes G4S Solutions Pvt Ltd C-16, Community Centre, Janakpuri, Behind Janak Cinema, New Delhi 110058	U52100DL2010PTC206267	Associate	50	2(6)
44	Aqualgnis Technologies Pvt Ltd Khasra No. 3946,3961 & 3962 Lal Tappar Industrial Area, Majri Grant, Dehradun - 248140	U31908UR2012PTC000450	Associate	50	2(6)
45	AMC Cookware (Pty) Ltd 4, Castor Road, Lansdowne, PO Box. 24200, 7779 Cape Town, South Africa	Not Applicable	Associate	50	2(6)
46	Lux Aqua Gmbh, Switzerland Blickensdorferstrasse 21B 6340 Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
47	Lux Aqua Hungary KFT Javor utca, 5/a, 1145, Budapest, Hungary	Not Applicable	Subsidiary	100	2(87)

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

##### i) Category-wise / Shareholding

Category of Shareholders	No. of Shares held at beginning of the year i.e. April 1, 2015				No. of Shares held at the end of the year i.e. March 31, 2016				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
(a) Individuals/H.U.F	0	0	0	0	0	0	0	0	0
(b) Central Government	0	0	0	0	0	0	0	0	0
(c) State Government	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	95,25,691	0	95,25,691	73.85	95,25,691	0	95,25,691	73.85	0
(e) Financial Institution/ Banks	0	0	0	0	0	0	0	0	0
(f) Any Other(Specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total(A)(1)</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>0.00</b>

Category of Shareholders	No. of Shares held at beginning of the year i.e. April 1, 2015				No. of Shares held at the end of the year i.e. March 31, 2016				% Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
(a) Individuals(Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b) Other Individuals	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Financial Institutions/Banks	0	0	0	0	0	0	0	0	0
(e) Any Other(Specify)	0	0	0	0	0	0	0	0	0
Sub-total (A) (2)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter and Promoters Group(A)=(A)(1)+(A)(2)</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>95,25,691</b>	<b>0</b>	<b>95,25,691</b>	<b>73.85</b>	<b>0</b>
<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds/UTI	173	250	423	0	152	250	402	0.00	0
(b) Financial Institution/Banks	11,857	7,288	19,145	0.15	11,857	7,288	19,145	0.15	0
(c) Central Government/State Government	30,363	79,980	1,10,343	0.86	30,363	79,980	1,10,343	0.86	0
(d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(e) Insurance Companies	0	500	500	0	0	500	500	0	0
(f) Foreign Institutional Investor	12,10,420	50	12,10,470	9.38	62,165	50	62,215	0.48	-8.90
(g) Foreign Venture Capital Investor	0	0	0	0	0	0	0	0	0
(h) Foreign Portfolio Investor (Corporate)	3,46,369	0	3,46,369	2.69	14,86,907	0	14,86,907	11.53	8.84
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
<b>Sub total (B)(1)</b>	<b>15,99,182</b>	<b>88,068</b>	<b>16,87,250</b>	<b>13.08</b>	<b>15,91,444</b>	<b>88,068</b>	<b>16,79,512</b>	<b>13.02</b>	<b>-0.06</b>
<b>(2) Non-Institution</b>									
(a) Bodies Corporate	1,31,659	12,221	1,43,880	1.12	1,02,786	11,281	1,14,067	0.88	-0.23
(b) Individuals									
i. Individual Shareholders, holding Nominal Share Capital upto Rs.1 Lakh	7,05,751	4,75,665	11,81,416	9.16	7,21,578	4,57,748	11,79,326	9.14	-0.02
ii. Individual Shareholders, holding Nominal Share Capital in excess of Rs.1 Lakh	3,11,409	0	3,11,409	2.41	3,51,150	0	3,51,150	2.72	0.31
(c) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(d) Any Other (Specify)	0	0	0	0	0	0	0	0	0
(i) Trust	740	0	740	0.01	640	0	640	0	0
(ii) OCBs/Foreign Co's	46650	1580	48,230	0.37	46650	1,580	48,230	0.37	0
<b>Sub-total (B)(2)</b>	<b>11,96,209</b>	<b>4,89,466</b>	<b>16,85,675</b>	<b>13.07</b>	<b>12,22,804</b>	<b>4,70,609</b>	<b>16,93,413</b>	<b>13.13</b>	<b>0.06</b>
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>27,95,391</b>	<b>5,77,534</b>	<b>33,72,925</b>	<b>26.15</b>	<b>28,14,248</b>	<b>5,58,677</b>	<b>33,72,925</b>	<b>26.15</b>	<b>0</b>
<b>TOTAL = (A)+(B)</b>	<b>1,23,21,082</b>	<b>5,77,534</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>1,23,39,939</b>	<b>5,58,677</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>0</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>1,23,21,082</b>	<b>5,77,534</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>1,23,39,939</b>	<b>5,58,677</b>	<b>1,28,98,616</b>	<b>100.00</b>	<b>0</b>

## ii) Shareholding Pattern of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2015			Shareholding at the end of the year i.e. March 31, 2016			% 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	–	No Change
2	Forbes Campbell Finance Ltd	1,66,398	1.29	–	1,66,398	1.29	–	No Change
	<b>Total</b>	<b>95,25,691</b>	<b>73.85</b>	<b>–</b>	<b>95,25,691</b>	<b>73.85</b>	<b>–</b>	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, 2015 to March 31, 2016			
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 the Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2015		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, 2015	At the beginning of the year	11,48,255	8.90	11,48,255	8.90
	March 31, 2016	At the end of the year	0	0	11,48,255	8.90
Antara India Evergreen Fund Ltd	April 1, 2015	At the beginning of the year	3,46,369	2.69	3,46,369	2.69
	May 22, 2015	Sale of shares	-900	-0.01	3,45,469	2.68
	May 29, 2015	Sale of shares	-1,235	-0.01	3,44,234	2.67
	June 26, 2015	Sale of shares	-107	-0.00	3,44,127	2.67
	July 3, 2015	Sale of shares	-1,850	-0.01	3,42,277	2.65
	July 10, 2015	Sale of shares	-2,550	-0.02	3,39,727	2.63
	July 17, 2015	Sale of shares	-600	-0.00	3,39,127	2.63
	December 18, 2015	Sale of shares	-475	-0.00	3,38,652	2.63
	March 31, 2016	At the end of the year	0	0.00	3,38,652	2.63
Neeta Jatin Jhaveri#	April 1, 2015	At the beginning of the year	0	0.00	0	0.00
	February 26, 2016	Purchase of shares	1,10,951	0.86	1,10,951	0.86
	March 31, 2016	At the end of the year	0	0.00	1,10,951	0.86
Governor Of Kerala	April 1, 2015	At the beginning of the year	79,980	0.62	79,980	0.62
	March 31, 2016	At the end of the year	0	0.00	79,980	0.62



Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2015		Cummulative 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, 2015	At the beginning of the year	75,400	0.58	75,400	0.58
	March 31, 2016	At the end of the year	0	0.00	75,400	0.58
Morgan Stanley Asia (Singapore) Pte.	April 1, 2015	At the beginning of the year	62,165	0.48	62,165	0.48
	March 31, 2016	At the end of the year	0	0.00	62,165	0.48
Yonkers Finance Corporation Limited	April 1, 2015	At the beginning of the year	46,650	0.36	46,650	0.36
	March 31, 2016	At the end of the year	0	0.00	46,650	0.36
Akash Bhanshali	April 1, 2015	At the beginning of the year	44,700	0.35	44,700	0.35
	March 31, 2016	At the end of the year	0	0.00	44,700	0.35
A & N Ventures Private Limited	April 1, 2015	At the beginning of the year	42,630	0.33	42,630	0.33
	March 31, 2016	At the end of the year	0	0.00	42,630	0.33
Kerala State Industrial Development Corporation	April 1, 2015	At the beginning of the year	30,363	0.24	30,363	0.24
	March 31, 2016	At the end of the year	0	0.00	30,363	0.24
Rina Sandeep Shah*	April 1, 2015	At the beginning of the year	56,525	0.44	56,525	0.44
	June 19, 2015	Sale of shares	-7,000	-0.05	49,525	0.38
	September 18, 2015	Sale of shares	-200	0.00	49,325	0.38
	October 16, 2015	Sale of shares	-104	0.00	49,221	0.38
	December 31, 2015	Sale of shares	-3,760	-0.03	45,461	0.35
	January 8, 2016	Sale of shares	-276	-0.00	45,185	0.35
	February 26, 2016	Sale of shares	-45,071	-0.35	114	0.00
	March 4, 2016	Sale of shares	-14	-0.00	100	0.00
	March 31, 2016	At the end of the year	0	0.00	100	0.00

\* Ceased to be in the list of top 10 as on March 31, 2016. The same is reflected above since the shareholder was one of the top 10 shareholders as on April 1, 2015.

# Not in the list of top 10 shareholders as on April 1, 2015. The same is reflected above since the shareholder was one of the top 10 shareholders as on March 31, 2016.

## v) Shareholding of Directors and Key Managerial Personnel:

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	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:

Rupees in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
(i) Principal Amount	15,729.66	1,500.00	-	17,229.66
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	20.68	-	-	20.68
(iv) Premium accrued but not due on NCD	498.01	-	-	498.01
(v) Cash Credit utilization	0.55	-	-	0.55
<b>Total (i+ii+iii+iv+v)</b>	<b>16,248.91</b>	<b>1,500.00</b>	<b>-</b>	<b>17,748.91</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	6,989.74	12,900.00	-	19,889.74
Reduction	7,886.29	10,800.00	-	18,686.29
<b>Net Change</b>	<b>(896.55)</b>	<b>2,100.00</b>	<b>-</b>	<b>1,203.45</b>
<b>Indebtedness at the end of the financial year</b>				
(i) Principal Amount	14,833.12	3,600.00	-	18,433.12
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	48.00	-	-	48.00
(iv) Premium accrued but not due on NCD	739.43	-	-	739.43
(v) Cash Credit Utilization	-	-	-	-
<b>Total (i+ii+iii+iv+v)</b>	<b>15,620.55</b>	<b>3,600.00</b>	<b>-</b>	<b>19,220.55</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Rupees in Lakhs

SI No	Particulars of Remuneration	Name of the Managing Director
		<b>Mr. Ashok Barat</b>
1	Gross salary	
	(a)Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	129.82
	(b)Value of perquisites u/s 17(2) of the Income tax Act,1961	1.00
	(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, please specify	-
	Total (A)	130.82
	Ceiling as per the Companies Act, 2013	NA*

\*The remuneration was approved by the members in the Annual General Meeting held on August 2, 2013 in conformity with the then applicable statutory provisions and as such the ceiling is not applicable.

### B. Remuneration to other Directors:

Rupees in Lakhs

Sr. No.	Particulars of Remuneration	Fees for attending Board/ Committee Meetings	Total
<b>1</b>	<b>Independent Directors</b>		
	Mr. T. R. Doongaji	6.70	6.70
	Mr. Kaiwan D. Kalyaniwalla	7.20	7.20
	Mr. D. Sivanandhan	3.60	3.60
	Ms. Ameeta Chatterjee	6.40	6.40
	Mr. Kannan Dasaratharaman	3.10	3.10
	<b>Total (1)</b>	<b>27.00</b>	<b>27.00</b>
<b>2</b>	<b>Other Non-Executive Directors</b>		
	Mr. Shapoor P. Mistry	1.30	1.30
	Mr. S. L. Goklaney	2.90	2.90
	Mr. Jimmy J. Parakh	2.40	2.40
	Mr. Jai L. Mavani	2.90	2.90
	<b>Total (2)</b>	<b>9.50</b>	<b>9.50</b>
	<b>Total (B)=(1+2)</b>	<b>36.50</b>	<b>36.50</b>
	Total Managerial Remuneration	Nil	Nil
	Overall Ceiling as per the Companies Act, 2013		NA

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

Rupees in Lakhs

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Ms. Sunetra Ganesan	Mr. Pankaj Khattar	
1	Gross Salary			
	(a) Salary as per provision contained in Section 17 (1) of the Income tax Act, 1961	88.23	48.05	136.28
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	1.16	-	1.16
	(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 specify	-	-	-
5	Others please specify	-	-	-
	Total	89.39	48.05	137.44

## 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)
<b>A.COMPANY</b>					
Penalty					<b>None and Not Applicable</b>
Punishment					
Compounding					
<b>B.DIRECTORS</b>					
Penalty					<b>None and Not Applicable</b>
Punishment					
Compounding					
<b>C.OTHER OFFICERS IN DEFAULT</b>					
Penalty					<b>None and Not Applicable</b>
Punishment					
Compounding					

## 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 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.:

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

### Code of Ethics

The Company has strong 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, 2016. 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, 2016. 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 (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 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.

### Board of Directors

The Board of Directors as on March 31, 2016 comprised of Ten (10) Directors. The Chairman of the Board is Non-Executive. Nine (9) (90%) Directors are Non-Executive and 5 (50%) of them are Independent Directors.

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

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 Directors of the Company are members in more than 10 mandatory committees nor act as a Chairman in more than 5 mandatory committees across all public companies in which he is a Director.

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), 2015. Seven meetings were held during the Financial Year (FY) ended March 31, 2016 on May 26, 2015, August 3, 2015, September 1, 2015, October 29, 2015, November 26, 2015, January 5, 2016 and February 2, 2016.

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](http://www.forbes.co.in)

All the information required to be placed before the Board of Directors under Regulation 17 (7) of SEBI (LODR), 2015, 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 (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, 2016 are as follows:

Name of Director	Category	Number of Board Meetings during 2015-2016		Attendance at AGM held on September 1, 2015	Number of shares held	Relationship with other Director	No. of Directorships in all Public Companies	No. of Committee Positions held in all Public Companies	
		Held	Attended					Chairman	Member
Mr. Shapoor P. Mistry Chairman	Non-Executive Non-Independent	7	2	No	Nil	None	6	Nil	Nil
Mr. Ashok Barat Managing Director	Non-Independent Executive	7	7	Yes	Nil	None	6	1	4
Mr. S.L.Goklaney	Non-Executive, Non-Independent	7	7	Yes	Nil	None	3	Nil	2
Mr. T. R. Doongaji	Non-Executive, Independent	7	5	Yes	Nil	None	1	1	Nil



Name of Director	Category	Number of Board Meetings during 2015-2016		Attendance at AGM held on September 1, 2015	Number of shares held	Relationship with other Director	No. of Directorships in all Public Companies	No. of Committee Positions held in all Public Companies	
		Held	Attended					Chairman	Member
Mr. Kaiwan D. Kalyaniwalla	Non-Executive, Independent	7	7	Yes	Nil	None	5	2	1
Mr. D. Sivanandhan	Non-Executive, Independent	7	4	Yes	Nil	None	7	Nil	2
Mr. Jimmy J. Parakh	Non-Executive, Non-Independent	7	6	Yes	Nil	None	3	Nil	Nil
Mr. Jai L. Mavani	Non-Executive, Non-Independent	7	7	Yes	Nil	None	2	Nil	Nil
Ms. Ameeta Chatterjee	Non-Executive, Independent	7	7	Yes	Nil	None	6	Nil	5
Mr. Kannan Dasaratharaman	Non-Executive, Independent	7	6	Yes	Nil	None	1	Nil	Nil

### Meeting of Independent Directors

The Independent Directors met on March 29, 2016 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole.
- Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non Executive Directors.
- 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 was attended by all Independent Directors.

### CEO/CFO Certification

As required by the Regulation 17(8) of SEBI (LODR), 2015, the Certificate from Mr. Mahesh Tahilyani, Managing Director was placed before the Board of Directors at their meeting held on May 30, 2016.

### Audit Committee

In compliance with Section 177 of the Act and Regulation 18 of SEBI (LODR), 2015 the terms of reference of the Audit Committee were as under:

- the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- review and monitor the auditor's independence and performance, and effectiveness of audit process;
- examination of the financial statement and the auditors' report thereon;
- approval or any subsequent modification of transactions of the company with related parties;
- scrutiny of inter-corporate loans and investments;
- valuation of undertakings or assets of the company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- monitoring the end use of funds raised through public offers and related matters;
- 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;

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up thereon;
- 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;
- 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;
- To look into the reasons for substantial defaults in payments to the depositors, debentureholders, shareholders and creditors;
- To review the functioning of the Whistle Blower mechanism;
- 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:
- 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 Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;
  - Major accounting entries involving estimates based on the exercise of judgment by management;
  - Significant adjustments made in the financial statements arising out of audit findings;
  - Compliance with listing and other legal requirements relating to financial statements;
  - Disclosure of any related party transactions and;
  - Qualification in the draft audit report.
- (xx) 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.

#### Composition of Audit Committee

The Audit Committee of the Board has been constituted in compliance with the provision of Regulation 18 of SEBI (LODR), 2015 read with Section 177 of the Act. The Committee comprises of 4 members of which 3 are Independent Non-Executive Directors and 1 Executive Director. The Committee functions under the Chairmanship of Mr. T.R. Doongaji, 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 and Audit Committee meetings were held on May 26, 2015, June 23, 2015, August 3, 2015, October 29, 2015, February 2, 2016, March 29, 2016. The Composition of the Committee as on March 31, 2016 is as follows:

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. T. R. Doongaji Chairman	Non-Executive Independent	6	6
Mr. Ashok Barat	Executive	6	6
Mr. Kaiwan D. Kalyaniwalla	Non-Executive Independent	6	6
Ms. Ameeta Chatterjee	Non-Executive Independent	6	6

The Chairman of the Audit Committee was present at the last Annual General Meeting.

#### Nomination and Remuneration Committee

In compliance with Section 178 of the Act and Regulation 19 of SEBI

(LODR), 2015, the Board has constituted Nomination and Remuneration Committee. The meetings of Nomination and Remuneration Committee were held on April 13, 2015, January 12, 2016 and March 29, 2016. The Composition of the Committee and details of meeting attended by its members are as follows:

Name	Category	No. of Meetings held	No. of Meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman	Non-Executive Independent	3	2
Mr. Shapoor P. Mistry	Non-Executive Non-Independent	3	1
Mr. T. R. Doongaji	Non-Executive Independent	3	3
Mr. D. Sivanandhan	Non-Executive Independent	3	3

The terms of reference of Nomination and Remuneration Committee includes:

- 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;
- 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; and
- 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 stock options.

Details of remuneration paid to Directors during the year ended March 31, 2016 are as follows:

- Non-Executive Directors:

Name of Director	Sitting Fees (Rs. in Lakhs)
Mr. Shapoor P. Mistry	1.3
Mr. S. L. Goklaney	2.9
Mr. T. R. Doongaji	6.7
Mr. Kaiwan D. Kalyaniwalla	7.2
Mr. D. Sivanandhan	3.6
Mr. Jimmy J. Parakh	2.4
Mr. Jai L. Mavani	2.9
Ms. Ameeta Chatterjee	6.4
Mr. Kannan Dasaratharaman	3.1

The Members had, at the Annual General Meeting held on August 2, 2013 approved the payment of remuneration by way of commission to the Non-Executive Directors of the Company, of a sum not exceeding 1% p.a of the net profits of the Company, calculated in accordance with the provisions of the Act, for a period of 5 years commencing from April 1, 2013. No Commission was paid to any Non-Executive Director during FY 2015-16.

The Remuneration by way of commission, if any, to the Non-Executive Directors is to be decided by the Nomination and Remuneration Committee of Board of Directors and distributed to them based on their contribution and attendance at the Board and certain committee meetings as well as time spent on operational matters other than at the meetings.

No commission was paid to any Non-executive Director during FY 2015-16.

b) Managing Director

Rs. in Lakhs

Salary and allowance	86.03
Benefits and Perquisites	1.00
Annual Performance Incentive for the FY 2014-15 *	43.79
Pension Contribution to PF & Superannuation Fund	11.90
Total	142.72

\* Performance Linked, others are fixed.

Performance criteria include level of the profits, reduction of costs, improvement of liquidity, steps taken for growth of business relating to both, the Company and its subsidiaries.

The Service Contract is for a period of 5 years effective from April 1, 2013 and is subject to retirement policy of the Company. The Notice Period is six months and there is no severance fee.

#### 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:

- Approval of Share Transfers/Deletion of Name/s/Transposition of Name/s, Dematerialization/Re-materialization of Shares;
- Approval of Transmission of Shares;
- Approval for issue of Duplicate/Replacement/Renewal of Share Certificates;
- Resolution of grievances of the security holders; and
- 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
Mr. Ashok Barat	Executive
Mr. D. Sivanandhan	Non-Executive Independent

Mr. Pankaj Khattar, Head Legal and Company Secretary also functions as Compliance Officer.

During the year under review, the Company did not receive any shareholder's complaints and there were no pending complaints at the end of the year. Further no transfers were pending as on March 31, 2016.

#### Corporate Social Responsibility Committee

The provisions of Section 135 of the Act are not presently applicable to the Company. However the Board of Directors in good governance has constituted Corporate Social Responsibility Committee as under:

Name	Category
Ms. Ameeta Chatterjee Chairperson	Non-Executive Independent
Mr. Ashok Barat	Executive
Mr. S. L. Goklaney	Non-Executive Non Independent

The Committee has formulated and recommended to the Board of Directors of the Company, a Corporate Social Responsibility Policy which was approved by the Board of Directors of the Company in its meeting held on March 23, 2015. The Committee is also responsible for recommending the amount of expenditure to be incurred on the activities to be undertaken by the Company.

#### General Body Meetings

The details of date, time and venue of the AGMs held during the last three years till March 31, 2016 are as under :

Particulars	Date	Time	Venue
94 <sup>th</sup> Annual General Meeting	August 2, 2013	4.00 p.m.	Indian Merchants Chambers, Walchand Hirachand Hall, IMC Building, 4 <sup>th</sup> Floor, IMC Marg, Churchgate, Mumbai 400020
95 <sup>th</sup> Annual General Meeting	August 6, 2014	4.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20 Kaikhushru Dubash Marg, (Behind Prince of Wales Museum), Mumbai 400001
96 <sup>th</sup> Annual General Meeting	September 1, 2015	4.00 p.m.	Indian Merchant Chambers, Walchand Hirachand Hall, IMC Building, 4 <sup>th</sup> Floor IMC Marg, Churchgate, Mumbai 400020

#### Details of Special Resolutions passed in the previous 3 AGMs

August 2, 2013	Payment of minimum remuneration to Mr. Ashok Barat, Managing Director in the event the Company has no profits or its profits are inadequate.
	Payment of commission, not exceeding, 1% p.a of the net profits of the Company to Non-Executive Directors.

August 6, 2014	Authority to borrow upto Rs.500 Crores
	Authority to create charges, hypothecations, mortgages/ equitable mortgages, on moveable and/or immovable properties of the Company upto Rs.500 Crores
	Authority to raise funds through Private Placement of Unsecured or Secured, Listed or Un-listed, Non-Convertible Bonds/Debentures upto Rs. 50 crore
	Amendment of Articles of Association with respect to provisions relating to affixation of common seal of the Company
September 1, 2015	Issue of Non Convertible Debentures through Private Placement upto Rs. 100 Crores
	Adoption of new Articles of Association of the Company

### Postal Ballot

During the year, a Special Resolution for sale, transfer or disposal of Logistics Business and /or Container Freight Stations of the Company situated at Mundra in Gujarat and /or Veshvi (Jawaharlal Nehru Port Trust) near Mumbai was passed by the Shareholders of the Company through Postal Ballot. In the Postal Ballot conducted, the Company had also offered e-voting facility, through National Securities Depository Limited, to enable the shareholders to cast their votes electronically.

The Board had appointed Mr. Makarand M. Joshi, Partner, M/s. Makarand M. Joshi & Co. Practicing Company Secretaries, as the scrutinizer to conduct the Postal Ballot process. The results of the postal ballot were declared on February 18, 2016. Details of the voting pattern were as under:

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
<b>Promoter and Promoter Group</b>	E-Voting	9525691	0	0	0	0	0	0
	Postal Ballot		9359293	98.25	9359293	0	100	0
	<b>Total</b>		<b>9359293</b>	<b>98.25</b>	<b>9359293</b>	<b>0</b>	<b>100</b>	<b>0</b>
<b>Public – Institutional holders</b>	E-Voting	1649149	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0
	<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Public- Non Institution</b>	E-Voting	1723776	10384	0.6	9684	700	93.26	6.74
	Postal Ballot		10028	0.58	9522	506	94.95	5.05
	<b>Total</b>		<b>20412</b>	<b>1.18</b>	<b>19206</b>	<b>1206</b>	<b>94.09</b>	<b>5.91</b>
<b>Total</b>			<b>9379705</b>	<b>72.72</b>	<b>9378499</b>	<b>1206</b>	<b>99.99</b>	<b>0.01</b>

### Disclosures & Compliances

#### Related Party Transaction

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 and do not attract the provisions of Section 188 of the Act. There are no materially significant 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 the large.

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](http://www.forbes.co.in)

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 behaviour 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](http://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 provided below:

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 Company's standalone financial statement for the financial year 2015-16 does not contain any audit qualification.

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

#### Means of Communication

The quarterly, half yearly and annual results are generally published in the Financial Express (English daily) and Navshakti or 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	Next Annual General Meeting of the Company is scheduled on Wednesday, the August 24, 2016 at 4.00 PM at "Rangaswar", 4 <sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021.
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 Saturday, August 20, 2016 to Wednesday, August 24, 2016. No dividend has been recommended by the Board.
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 share of face value Rs.10 each are as under

Month	Forbes Shares High	Forbes Shares Low	No. of shares	BSE Index High	BSE Index Low	BSE 500 High	BSE 500 Low
April' 2015	2250.00	1350.00	29,166	29,094.61	26,897.54	11,567.60	10,613.36
May' 2015	1605.00	1405.00	9,216	28,071.16	26,423.99	11,072.84	10,411.97
June' 2015	1739.75	1352.00	16,729	27,968.75	26,307.07	11,054.86	10,354.81
July' 2015	1874.00	1497.50	23,786	28,578.33	27,416.39	11,340.45	10,912.86
August' 2015	1825.00	1362.00	7,912	28,417.59	25,298.42	11,438.18	10,031.72
September' 2015	1642.00	1375.00	8,970	26,471.82	24,833.54	10,577.34	9,931.88
October' 2015	1655.00	1380.00	8,766	27,618.14	26,168.71	10,994.76	10,495.71
November' 2015	1515.00	1406.50	4,885	26,824.30	25,451.42	10,747.69	10,264.44
December' 2015	1648.00	1400.00	24,030	26,256.42	24,867.73	10,646.36	10,110.55
January' 2016	1850.00	1371.00	19,159	26,197.27	23,839.76	10,691.89	9,567.77
February' 2016	1438.50	1078.00	1,51,833	25,002.32	22,494.61	10,077.14	9,011.98
March' 2016	1484.50	1100.00	53,280	25,479.62	23,133.18	10,211.26	9,239.71

#### Registrars and Share Transfer & Agents:

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

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 dematerialised form.

### Distribution of Shareholding as on March 31, 2016

Category	No. of shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,343	0.86
Financial Institutions/ Banks	19,145	0.14
Insurance Companies	500	0.00
Mutual Fund	402	0.00
FII & NRI/FBC	16,23,626	12.59
Public	16,18,909	12.56
Total	1,28,98,616	100.00

### Distribution by size as on March 31, 2016

Holding	No. of Shareholders	No. of shares	% Shareholders
1 to 500	10,340	6,84,155	95.95
501 to 1000	246	1,77,958	2.28
1001 to 2000	106	1,43,865	0.98
2001 to 3000	27	68,152	0.25
3001 to 4000	20	71,138	0.19
4001 to 5000	7	31,588	0.06
5001 to 10000	11	71,224	0.10
10001 & above	20	1,16,50,536	0.19
Total	10,777	1,28,98,616	100.00

### Status of dematerialisation of shares and liquidity as on March 31, 2016

Details	No. of shares	% of Share Capital	No. of Accounts
National Securities Depository Ltd.	1,19,80,099	92.88	4,260
Central Depository Services (India) Ltd.	3,59,840	2.79	1,513
Total dematerialized	1,23,39,939	95.67	5,773
Physical	5,58,677	4.33	5,004
Total	1,28,98,616	100.00	10777

### 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.

### 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(g) to the standalone financial statements describes the accounting policy relating to the foreign currency transactions and translations.

### Plant Locations

A7, MIDC Area  
Chikalhana,  
Aurangabad – 431 210

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

Chandivali Estate  
Saki Powai Road  
Mumbai – 400 072

### Container Freight Stations

Veshvi, Post – Dighode,  
Taluka – Uran,  
Dist. Raigad – 410 206

Bharat CFS Zone 1,  
Old Port Road,  
MP and SEZ,  
Mundra - 370 421

### 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 (dematerialised form) should address all shares related correspondence to their respective Depository Participants only.

### Auditors' Certificate

The Certificate dated May 30, 2016 issued by Makarand M Joshi & Co., 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, 2016.

For Forbes & Company Limited

**Mahesh Tahilyani**  
Managing Director

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

**To,  
The Members,  
Forbes & Company Limited**

We have examined the compliance of conditions of corporate governance by Forbes & Company Limited (“the Company”), for the year ended on March 31, 2016, as stipulated in Clause 49 of Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said 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 Clause 49 of the above mentioned Listing Agreement and Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 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,

**Kumudini Paranjape**  
Partner  
FCS No.: 6667  
CP No: 6690

Place: Mumbai  
Date: May 30, 2016

**STANDALONE FINANCIAL STATEMENTS**

**FORMING PART OF ANNUAL REPORT OF**

**FORBES & COMPANY LIMITED FOR THE**

**YEAR ENDED 31ST MARCH, 2016**

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FORBES & COMPANY LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **FORBES & COMPANY LIMITED ("the Company")**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness

of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

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 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, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. We draw attention to Note 50 to the standalone financial statements relating to loans given to The Svadeshi Mills Company Limited, aggregating ₹ 4,391.78 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under section 143(1)(a) of the Act.
2. **As required by section 143(3) of the Act, we report that:**
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the 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 prescribed under section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
  - 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 financial

statements - Refer Note 29 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 41B to the standalone financial statements;

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

3. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Nilesh Shah**  
(Partner)  
(Membership No. 49660)

MUMBAI, May 30, 2016

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2016)

### **Report on the Internal Financial Controls Over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Forbes & Company Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of

internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 Over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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



**Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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 Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Nilesh Shah**  
(Partner)  
(Membership No. 49660)

MUMBAI, May 30, 2016

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2016)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except those in the table below. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders.

Particulars of the land and building	Amount (₹ in lakhs) [Carrying amount as at March 31, 2016]	Remarks
Freehold land and building located at Chennai admeasuring 0.538 acres and 6,084 Sq.ft, respectively.	44.34	The title deeds are in the name of Fal Industries Limited, erstwhile Company that was merged with the Company under Section 391 to 394 of the Companies Act, 1956 in terms of the approval of the Honorable High Court of judicature at Bombay.

- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

Further, in our opinion and according to the information and explanations given to us, having regard to the nature of inventory

related to the property development activity, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

- (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.
- (iv) The Company has not granted any loans, made investments or provided guarantees to which provisions of sections 185 and 186 of the Act, and hence, reporting under clause (iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Act for the Engineering Division and the Property Development Division. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under section 148(1) of Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income-tax, sales tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales

tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable, except as disclosed below.

Name of statute	Nature of dues	Amount involved (₹ in Lakhs)	Period to which the amount relates	Due date
Mumbai Municipal Corporation Act, 1988	Property Tax	30.51	April 1, 2013 to March 31, 2015	Various

(c) Details of dues of income-tax, sales tax, service tax, customs duty, excise duty, and, value added tax which have not been deposited as on March 31, 2016 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Lakhs)	Amount unpaid (₹ In Lakhs)
Income-Tax Act, 1961	Income-Tax	Income-Tax Appellate Tribunal	Financial Years: 2002-03, 2003-04, and 2004-05	398.07	144.66
		Commissioner of Income-Tax (Appeals)	Financial Years: 1997-98, 2000-01 and 2012-13	229.22	201.64
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	Custom Excise & Service Tax Appellate Tribunal	Financial Years: 1995-96, 1999-00, 2003 to 2007.	4,635.88	4,635.88
		Commissioner of Central Excise (Appeals)	December 2003 to December 2004 and November 2006 to February 2007, 2010-11, April 2011 to September 2012	58.90	30.54
		Additional Commissioner of Central Excise.	Financial Years: 2000 to 2003	54.99	54.99
		Assistant Commissioner of Central Excise	Financial Years: 2000 to 2004	5.86	4.86
Sales Tax Laws	Sales Tax (including interest and penalty)	Madras High Court	Financial Years: 1989-90, 1998-99 and 1999-00	474.38	435.09
		Sales Tax Appellate Tribunal	Financial Years: 1990-91, 1991-92, 1992-93, 1993-94, 1994-95, 1998-99, 2001-02 and 2002-03	133.38	91.62
		Joint Commissioner of Appeals Sales Tax	Financial Years: 2005-06, 2006-07, 2008-09, 2009-10 and 2010-11.	7,287.90	1,304.03
		Assistant Commissioner of Commercial Taxes	Financial Years: 2000-01, 2001-02, 2002-03, 2003-04, 2004-05 and 2005-06.	172.75	172.75
		Deputy Commissioner of Appeals	Financial Years: 1987-88, 1993-94, 1999-00, 2002-03, 2005-06 and 2006-07	66.36	65.23
		Commercial Tax Officer	Financial Years: 2004-05	3.95	3.95
		The Finance Act, 1994	Service Tax	Commissioner of Service Tax	Financial Years: 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13
The Customs Act, 1962	Penalty	Commissioner (Appeals)	Financial Year: 2012-13	1.00	0.93
		Custom Excise & Service Tax Appellate Tribunal	August, 2012	1.00	0.90

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved (₹ In Lakhs)	Amount unpaid (₹ In Lakhs)
Karnataka Tax on Entry of Goods, 1979	Entry Tax	Custom Excise & Service Tax Appellate Tribunal	Financial Years: 2001-02, 2002-03, 2003-04, 2004-05, 2006-07, 2007-08, 2008-09	76.90	38.45
Wealth Tax Act, 1957	Wealth Tax	Commissioner of Income Tax (Appeals)	Financial Years: 2007-08, 2008-09, 2009-10 and 2010-11	409.86	394.92
Mumbai Municipal Corporation Act, 1888*	Property Tax	Assistant Assessor and Collector	Financial Years: 2005-06, 2006-07, 2007-08, 2008-09, 2009-10	671.60	671.60

\* Property tax not deposited pending resolution of the representation made by the Company to the Assistant Assessor and Collector, Municipal Corporation of Greater Mumbai against the enhanced rateable value assessed by the said authority.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.
- (ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence, reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence, reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 188 and 177 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have

been disclosed in the financial statements etc. as required by the applicable accounting standards.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence, reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence, provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No.117366W/W-100018)

**Nilesh Shah**  
(Partner)  
(Membership No. 49660)

MUMBAI, May 30, 2016

**BALANCE SHEET AS AT 31ST MARCH, 2016**

Particulars	Note No.	₹ in Lakhs	As at	As at
			31st March, 2016	31st March, 2015
			₹ in Lakhs	₹ in Lakhs
<b>I EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
a Share capital	3	1,289.86		1,289.86
b Reserves and surplus	4	12,456.51		12,234.82
			<b>13,746.37</b>	<b>13,524.68</b>
<b>2 Non-current liabilities</b>				
a Long-term borrowings	5	8,353.78		8,226.12
b Other Long-term liabilities	6	700.74		601.14
c Long-term provisions	7	519.74		1,125.91
			<b>9,574.26</b>	<b>9,953.17</b>
<b>3 Current liabilities</b>				
a Short-term borrowings	8	4,260.15		1,802.50
b Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises; and	40	265.53		232.30
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,823.99		3,638.66
c Other current liabilities	9	9,015.97		9,465.54
d Short-term provisions	10	2,689.13		1,529.76
			<b>20,054.77</b>	<b>16,668.76</b>
	<b>TOTAL</b>		<b>43,375.40</b>	<b>40,146.61</b>
<b>II ASSETS</b>				
<b>1 Non-current assets</b>				
a Fixed assets				
(i) Tangible assets	11A	5,700.76		9,886.67
(ii) Intangible assets	11B	88.84		108.12
(iii) Capital work-in-progress		563.88		5.74
(iv) Intangible assets under development		40.40		22.08
		6,393.88		10,022.61
b Non-current investments	12	16,673.88		16,270.13
c Long-term loans and advances	13	4,064.81		3,485.80
d Other non-current assets	14	62.88		1.15
			<b>27,195.45</b>	<b>29,779.69</b>
<b>2 Current assets</b>				
a Inventories	15	3,860.99		3,705.20
b Trade receivables	16	4,306.69		4,714.83
c Cash and cash equivalents	17	1,423.99		717.90
d Short-term loans and advances	18	1,533.40		605.57
e Other current assets	19	5,054.88		623.42
			<b>16,179.95</b>	<b>10,366.92</b>
	<b>TOTAL</b>		<b>43,375.40</b>	<b>40,146.61</b>

See accompanying notes forming part of the financial statements 1 to 56

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**NILESH SHAH**  
Partner  
Mumbai, 30th May, 2016

**PANKAJ KHATTAR**  
Company Secretary

SHAPOOR P. MISTRY  
MAHESH C. TAHILYANI

Chairman  
Managing Director

S.L. GOKLANEY  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI

Directors

Mumbai, 30th May, 2016

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	₹ in Lakhs	Year Ended	Year Ended
			31st March, 2016	31st March, 2015
			₹ in Lakhs	₹ in Lakhs
<b>A CONTINUING OPERATIONS</b>				
<b>I Revenue from operations (gross)</b>	<b>20</b>	20,030.53		18,032.06
Less: Excise duty		1,874.65		1,714.55
Revenue from operations (net)			<b>18,155.88</b>	16,317.51
<b>II Other income</b>	<b>21</b>		<b>811.85</b>	588.89
<b>III Total revenue (I + II)</b>			<b>18,967.73</b>	16,906.40
<b>IV Expenses:</b>				
Cost of materials consumed	<b>22</b>	7,031.61		6,054.34
Purchases of stock-in-trade (traded goods)	<b>42B</b>	12.62		122.13
Changes in inventories of finished goods, work-in-progress and stock-in-trade	<b>23</b>	(564.63)		(765.98)
Employee benefits expense	<b>24</b>	3,831.32		3,746.25
Finance costs	<b>25</b>	1,885.41		1,878.92
Depreciation and amortisation expense	<b>26</b>	497.76		334.58
Other expenses	<b>27</b>	6,870.08		6,859.36
<b>Total expenses</b>			<b>19,564.17</b>	18,229.60
<b>V (Loss) before exceptional items and tax (III - IV)</b>			<b>(596.44)</b>	(1,323.20)
<b>VI Exceptional items - Income</b>	<b>28</b>		<b>1,552.84</b>	983.58
<b>VII Profit/(Loss) before tax (V + VI)</b>			<b>956.40</b>	(339.62)
<b>VIII Tax expense</b>			-	-
<b>IX Profit/(Loss) for the year from continuing operations (VII - VIII)</b>			<b>956.40</b>	(339.62)
<b>B DISCONTINUING OPERATIONS</b>	<b>37</b>			
<b>X (i) (Loss) / Profit before tax from discontinuing operations</b>			<b>(734.71)</b>	281.77
<b>X (ii) Less: Tax expense of discontinuing operations</b>			-	-
<b>XI (Loss) / Profit for the year from discontinuing operations [X(i) - X(ii)]</b>			<b>(734.71)</b>	281.77
<b>C TOTAL OPERATIONS</b>				
<b>XII Profit/(Loss) for the year (IX + XI)</b>			<b>221.69</b>	(57.85)
<b>XIII Earnings per equity share:</b>	<b>35</b>			
Basic and diluted earnings per equity share (nominal value of share ₹ 10)				
Continuing operations			₹ 7.41	₹ (2.63)
Total operations			₹ 1.72	₹ (0.45)

See accompanying notes forming part of the financial statements 1 to 56

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**NILESH SHAH**  
Partner  
Mumbai, 30th May, 2016

**PANKAJ KHATTAR**  
Company Secretary

SHAPOOR P. MISTRY  
MAHESH C. TAHILYANI

Chairman  
Managing Director

S.L. GOKLANEY  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI

Directors

Mumbai, 30th May, 2016



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Note No.	Year Ended 31st March, 2016 ₹ in Lakhs	Year Ended 31st March, 2015 ₹ in Lakhs
<b>Profit / (Loss) before tax</b>		<b>221.69</b>	<b>(57.85)</b>
<b>Adjustments for -</b>			
Depreciation and amortisation expense		834.67	714.95
Net Loss/(gain) on sale of current investments		(0.01)	(1.37)
Interest on long-term investments in a subsidiary company		(1.73)	(1.89)
Interest on bank deposits		(40.96)	(15.62)
Interest on inter-corporate deposits		(49.13)	(103.23)
Finance costs		1,897.78	1,879.00
Dividend from long-term investments		(0.06)	(0.06)
Dividend from current investments in mutual funds		(73.45)	(46.45)
(Profit) on sale / write-off of fixed assets (net)		(0.44)	(37.70)
Provision for doubtful trade receivables		122.19	32.66
Provision for doubtful loans and advances		304.81	5.03
Bad trade receivables / advances written off (net)		52.55	473.66
Credit balances / excess provision written back		(445.56)	(80.26)
Net unrealised exchange loss		15.20	9.88
		<b>2,615.86</b>	<b>2,828.60</b>
Exceptional items:			
- Income on settlement of disputed matters		(652.05)	-
- Provision for diminution in the value of investments		271.27	(1,064.15)
		<b>(380.78)</b>	<b>(1,064.15)</b>
		<b>2,235.08</b>	<b>1,764.45</b>
<b>Operating profit before working capital changes</b>		<b>2,456.77</b>	<b>1,706.60</b>
<b>Changes in working capital:</b>			
Adjustments for (increase) / decrease in operating assets:			
Inventories		(154.67)	(160.19)
Trade receivables		326.41	(802.39)
Short-term loans and advances		(526.93)	149.52
Long-term loans and advances		177.84	(154.95)
Other current assets		(69.25)	(124.73)
		<b>(246.60)</b>	<b>(1,092.74)</b>
Adjustments for increase / (decrease) in operating liabilities:			
Trade payables		234.98	533.49
Other current liabilities		899.34	(3,275.16)
Other Long-term liabilities		99.60	107.04
Short-term provisions		484.33	203.62
Long-term provisions		(108.16)	72.60
		<b>1,610.09</b>	<b>(2,358.41)</b>
		<b>1,363.49</b>	<b>(3,451.15)</b>
<b>Cash generated from / (used in) from operations</b>		<b>3,820.26</b>	<b>(1,744.55)</b>
Income taxes paid (net of refunds)		(433.28)	(155.19)
<b>(a) Net cash flow generated from / (used in) operating activities</b>		<b>3,386.98</b>	<b>(1,899.74)</b>

	Note No.	Year Ended 31st March, 2016 ₹ in Lakhs	Year Ended 31st March, 2015 ₹ in Lakhs
<b>Cash flows from investing activities:</b>			
Capital expenditure on fixed assets including capital advances		(968.02)	(388.45)
Proceeds from sale of fixed assets		3.51	48.50
Purchase / subscription of long-term investments			
- in subsidiaries		(675.00)	(5.00)
Proceeds from sale / redemption of long-term investments			
- in subsidiaries		-	170.00
Purchase of current investments		(18,542.00)	(9,185.23)
Proceeds from sale of current investments		18,615.44	9,233.05
Loans and advances given to related parties		(1,302.47)	-
Loans and advances given to related parties realised		565.00	1,096.16
Bank balances not considered as cash and cash equivalents - (placed)		(5.93)	(4.74)
Interest received		93.54	44.56
Dividend received		0.06	0.06
<b>(b) Net cash flow (used in) / generated from investing activities</b>		<b>(2,215.86)</b>	<b>1,008.91</b>
<b>Cash flows from financing activities:</b>			
Proceeds from long-term borrowings		6,000.00	3,000.00
Repayment of long-term borrowings		(7,235.36)	(1,318.47)
Proceeds from short-term borrowings		13,901.46	19,774.17
Repayment of short-term borrowings		(11,444.36)	(19,128.86)
Net (decrease) in cash credit and packing credit		(0.55)	(107.89)
Finance costs		(1,628.05)	(1,654.95)
<b>(c) Net cash flow (used in) / generated from financing activities</b>		<b>(406.86)</b>	<b>564.00</b>
<b>(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>		<b>764.26</b>	<b>(326.83)</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>		<b>594.85</b>	<b>921.68</b>
<b>(f) Cash and cash equivalents as at the end of the year (d + e)</b>	<b>17(a)</b>	<b>1,359.11</b>	<b>594.85</b>

**Notes:**

- Cash flows are reported using the indirect method, whereby Profit / (Loss) Profit before extraordinary items and tax 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 Company are segregated based on the available information.

**See accompanying notes forming part of the financial statements 1 to 56**

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**NILESH SHAH**  
Partner  
Mumbai, 30th May, 2016

**PANKAJ KHATTAR**  
Company Secretary

SHAPOOR P. MISTRY  
MAHESH C. TAHILYANI

Chairman  
Managing Director

S.L. GOKLANEY  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI

Directors

Mumbai, 30th May, 2016

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 1. Corporate Information

Forbes & Company Limited 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. The Company is mainly engaged in the Engineering, Real estate and Shipping & Logistics business; and is listed on the Bombay Stock Exchange.

### 2. Significant accounting policies

#### a) Basis of accounting

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "2013 Act") read with relevant rules and provisions of the 2013 Act. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### b) Use of estimates

The preparation of the financial statements in conformity with the Indian GAAP requires the Management to make estimates and assumptions that affect the reported amount of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. The Management believes that the estimates used in preparation of Financial Statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and estimates are recognised in the period in which the results are known/ materialise.

#### c) Fixed assets and depreciation / amortisation

##### 1. Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost of acquisition or construction 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.

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013, except in respect of certain assets, in whose case the life of the assets has been assessed based on technical certification, 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 of the tangible fixed assets are as under:

Sr. No.	Class of assets	Estimated useful life
i)	Leasehold Land	Lease term
ii)	Building	As per Schedule II to the Companies Act, 2013 except in certain buildings, useful life is based on technical certification
iii)	Plant & Machinery	Useful life based on technical certification
iv)	Furniture & Fixture	As per Schedule II
v)	Vehicles	4 years
vi)	Office equipment, Electrical installations, Computers:- - Owned - Leased	As per Schedule II Lower of lease term and useful life as per Schedule II
vii)	Buildings on leasehold land	Lower of the useful life as per Schedule II and the lease term except in certain building useful life is based on technical certification
viii)	All Categories of assets costing ₹ 5,000 and less	Fully depreciated in the year of purchase

##### 2. Intangible assets and amortisation

Intangible assets, being computer software, are carried at 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).

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.

##### 3. 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.

##### 4. 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.

#### d) Impairment of assets

The Company assesses at each balance sheet date 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. 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. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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.

**e) Investments**

Long-term investments are carried at cost, less provision for diminution other than temporary, in value, if any. Current investments are carried individually, at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties.

**f) Borrowing costs**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**g) Foreign currency transactions and translation**

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction. Monetary items denominated in foreign currency at the year-end are translated at year end rates. The exchange differences arising on settlement / translation are recognised in the statement of profit and loss. Non-monetary items denominated in foreign currency are carried at historical cost.

Accounting for Forward Contracts: Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Exchange differences on such contracts are recognised in the statement of profit and loss. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense in the period in which such cancellation or renewal is made.

**h) Inventories**

Inventories are valued at the lower of the acquisition / production cost and net realisable value after providing for obsolescence and other losses, where considered necessary. The principles of determining costs of various types of inventories are tabulated below:

S. No.	Type	Basis of determining costs
(i)	<b>Stores, spare parts, components and loose tools</b>	Moving weighted average
(ii)	<b>Raw and packing materials</b>	Standard cost adjusted for variances based on weighted average purchase price
(iii)	<b>Work-in-progress</b>	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) up to the stage of completion based on standard cost adjusted for variances
(iv)	<b>Finished goods</b>	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) based on standard cost adjusted for variances and including excise duty

S. No.	Type	Basis of determining costs
(v)	<b>Stock-in-trade (in respect of goods acquired for trading)</b>	Standard cost adjusted for variances based on weighted average purchase price
(vi)	<b>Real estate development work-in-progress</b>	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. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

**i) 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.

**j) Revenue recognition****1. Sale of products**

Sales are recognised, net of returns, trade discounts, VAT / Sales tax, on transfer of risk and rewards of ownership of the products to the customers, which is generally on despatch of goods. Export sales are recognised on the basis of Bill of lading / Airway bill.

**2. Sale of services**

(i) Multimodal transport income and expenses in case of export handling activities is recognised at the date of bill of lading / airway bill and in case of import handling activities, when the relevant documents (i.e. delivery orders) are delivered to the customers.

(ii) Container freight station ground rent income is recognised on an accrual basis.

(iii) Income from other services is recognised as and when the services are performed.

**3. Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**4. Dividend**

Dividend income is accounted when the right to receive payment is established and known.

**5. Revenue from Real Estate Contracts**

The Company follows the percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) for recognising revenue from projects, based on estimation of the outcome of the project when

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

the following are completed :-

- a. All critical approvals for commencement have been obtained;
- b. At least 25% of development costs for the project have been incurred;
- 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 recognized with respect to executed agreements for sale of the units upon achieving threshold percentage of actual project cost incurred as against the total estimated cost of the project.

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.

Subsequent to the close of the contract, expenditure if any, incurred on completed jobs during the Defects Liability period is accounted for in the year of such expenses.

### k) Employee benefits

#### 1. Provident fund

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.

The Company is generally liable for annual contributions and any shortfall in the interest based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

#### 2. Superannuation

The eligible employees of the Company are entitled to receive post-employment benefits in respect of superannuation fund in which the Company makes an annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the Life Insurance Corporation of India (LIC). Superannuation is classified as defined contribution plan as the Company has no further obligations beyond making the contribution. The Company's contribution to defined contribution plan is charged to the statement of profit and loss as incurred.

#### 3. Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to maximum amount prescribed. For certain categories of employees, lump sum amount equivalent to one month salary for services up to 15 years; for services above 15 years but equals to or less than 25 years, one month salary up to 15 years and 15 days salary for services in excess of 15 years; and for services above 25 years, one month salary up to 15 years, 15 days salary for services in excess of 15 years up to 25 years and one-third monthly salary for services in excess of 25 years, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Company has obtained insurance policies with LIC and makes an annual 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. Actuarial gains and losses are recognised in the statement of profit and loss.

#### 4. Post-retirement medical benefits and non-compete fees

Under this post-retirement scheme, 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. Actuarial gains and losses are recognised in the statement of profit and loss.

#### 5. Compensated absences

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. Actuarial gains and losses are recognised in the statement of profit and loss.

### l) Taxes on income

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-Tax Act, 1961. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

**m) Lease accounting****1. 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.

**2. 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.

**n) Segment reporting**

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

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

the Company as a whole and are not allocable to segments on reasonable basis, have been included under 'Unallocated revenue / expenses / assets / liabilities'.

**o) Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

**p) Export incentives**

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

**q) Operating cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of asset and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Number of shares	As at 31st March, 2016 ₹ in Lakhs	Number of shares	As at 31st March, 2015 ₹ in Lakhs
<b>3. Share capital</b>				
<b>Authorised:</b>				
Equity shares of ₹ 10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<u>1,50,00,000</u>	<u>1,500.00</u>	<u>1,50,00,000</u>	<u>1,500.00</u>
<b>Issued, subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	1,28,98,616	1,289.86	1,28,98,616	1,289.86
	<u>1,28,98,616</u>	<u>1,289.86</u>	<u>1,28,98,616</u>	<u>1,289.86</u>

**(a) 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, except in case of interim dividend. 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.

**(b) Equity shares held by holding company and subsidiary company**

93,59,293 (*Previous year: 93,59,293*) equity shares are held by the holding company, Shapoorji Pallonji and Company Private Limited; and 1,66,398 (*Previous year: 1,66,398*) equity shares are held by a subsidiary of the Company, Forbes Campbell Finance Limited.

**(c) Details of equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:**

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of equity shares held	% holding	Number of equity shares held	% holding
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

**(d)** The Company has not allotted 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.

	₹ in Lakhs	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs
<b>4. Reserves and surplus</b>			
<b>(a) Debenture Redemption Reserve:</b>			
Balance as per last balance sheet		2,500.00	2,500.00
<b>(b) General reserve:</b>			
Balance as per last balance sheet		16,188.60	16,188.60
<b>(c) Surplus / (Deficit) in statement of profit and loss:</b>			
Balance as per last balance sheet	(6,453.78)		(6,200.45)
Add: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (Net of deferred tax of ₹Nil)	-		(195.48)
Add: Profit/(Loss) for the year	221.69		(57.85)
		<u>(6,232.09)</u>	<u>(6,453.78)</u>
		<u>12,456.51</u>	<u>12,234.82</u>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Non - current portion		Current maturities	
As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs

## 5. Long-term borrowings

## (a) Debentures - Secured

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 (Refer Footnote).

6,000.00	4,000.00	4,000.00	6,000.00
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## (b) Term loans - Secured

## From Banks:

(i) **Federal Bank Limited** - Secured by first exclusive charge by way of Equitable Mortgage of 11 flats along with part basement and part garages in "Volkart House", Mumbai  
[Repayable in half yearly installments of ₹ 500 Lakhs each. First installment was due in July, 2014 and last installment is due in January, 2017. Rate of interest in the range of 9.88% p.a. to 10.45% p.a. (Previous year 10.45% p.a.)]

-	1,000.00	1,000.00	1,000.00
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(ii) **Export Import Bank of India - PEFP Loan** - Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the Company.  
[Repayable in quarterly installments of ₹ 17.30 Lakhs each. First installment was due in August, 2012 and last installment is due in August, 2018. Rate of interest 12% p.a. (Previous year: 12% p.a.)]

103.78	172.97	69.19	69.19
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(iii) **DCB Bank Limited Term Loan -I** - Secured by an exclusive charge by way of mortgage on the company's immovable property - Freehold Land parcel utilised as Container Freight Station (CFS) admeasuring 14.15 acres along with building & construction thereon both present and future, situated at village Veshvi, Taluka Uran, District Raigad, Sub-District Panvel, Maharashtra.  
[Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017. Rate of interest in the range of 10.85% p.a. to 11.00% p.a. (Previous year 11% p.a.)]

1,125.00	1,500.00	375.00	-
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(iv) **DCB Bank Limited Term Loan -II** - Secured by an exclusive charge by way of mortgage on the company's immovable property. Leasehold Land parcel utilised as Container Freight Station (CFS) admeasuring 25.00 acres along with building & construction thereon both present and future, situated at Adani Past Special Economic Zone (APSEZ), Mundra, District Kutch, Gujarat.  
[Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017. Rate of interest in the range of 10.85% p.a. to 11.00% p.a. (Previous year 11% p.a.)]

1,125.00	1,500.00	375.00	-
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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Non - current portion		Current maturities	
As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs

**From Others:**

- (i) **Tata Capital Financial Services Limited** - Secured by first and exclusive charge by way of hypothecation on the assets acquired through facility.  
[Repayable in monthly equated installments. First installment was due in November, 2012 and last installment is due in August, 2016, account foreclosed in the year. Rate of interest 11.50% p.a. (Previous year 11.50%p.a.)]

-	53.15	-	113.02
<b>8,353.78</b>	<b>8,226.12</b>	<b>5,819.19</b>	<b>7,182.21</b>

- (c) **Finance lease obligations** - Secured by Computer Hardware financed [see Note 34(a)]  
[Repayable in quarterly equated installments. First installment was due in July, 2011 and last installment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.]

-	-	-	19.39
<b>8,353.78</b>	<b>8,226.12</b>	<b>5,819.19</b>	<b>7,201.60</b>

Less: Amount disclosed under "Other current liabilities" (see Note 9)

-	-	<b>(5,819.19)</b>	<b>(7,201.60)</b>
<b>8,353.78</b>	<b>8,226.12</b>	<b>-</b>	<b>-</b>

**Footnote:**

**Details of Redeemable Non-Convertible Debentures issued by the Company:**

Sr. No.	Face Value per Debenture	Date of Allotment	As at 31.03.2016 ₹ in Lakhs	As at 31.03.2015 ₹ in Lakhs	Coupon	Terms of Repayment
1	1,00,00,000	13th September, 2012	-	6,000.00	11% payable annually	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 30% at the end of 36 months i.e. on 13th September, 2015, 30% at the end of 48 months i.e. on 13th September, 2016 and 40% at the end of 60 months i.e. on 13th September, 2017 from the date of allotment.
2	10,00,000	6th March, 2013	<b>4,000.00</b>	4,000.00	5% payable annually	Repayment on 27th April, 2016 alongwith redemption premium of ₹ 757 Lakhs.
3	10,00,000	10th September, 2015	<b>6,000.00</b>	-	9.80% payable half yearly	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 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 from the date of allotment.
			<b>10,000.00</b>	<b>10,000.00</b>		

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016	As at 31st March, 2015	As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>6. Other Long-term liabilities</b>				
(a) Advance from Customers	16.50	66.00		
(b) Security Deposits	684.24	535.14		
	<u>700.74</u>	<u>601.14</u>		
<b>7. Long-term provisions</b>				
<b>(a) Provision for employee benefits</b>				
(i) Compensated absences	236.12	288.37		
(ii) Other post retirement benefits (see Note 31)	283.62	339.53		
		<u>519.74</u>		<u>627.90</u>
<b>(b) Provision for Premium payable on redemption of debentures (see Note 5)</b>		-		498.01
		<u>519.74</u>		<u>1,125.91</u>
<b>8. Short-term borrowings</b>				
<b>(a) Secured borrowings from banks:</b>				
(i) Repayable on demand - Cash credit from consortium of banks against hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and trade receivables.	-	0.55		
(ii) Buyers credit - Secured by second charge on 11 residential flats, part basement and part garages in "Volkart House", Mumbai.	660.15	301.95		
		<u>660.15</u>		<u>302.50</u>
<b>(b) Unsecured borrowings:</b>				
<b>From other than banks</b>				
Commercial papers [maximum amount outstanding during the year ₹ 5,000 Lakhs (Previous year: ₹ 7,000 Lakhs)]	3,600.00	1,500.00		
	<u>4,260.15</u>	<u>1,802.50</u>		
<b>9. Other current liabilities</b>				
(a) Current maturities of long-term borrowings (secured) (see Note 5)	5,819.19	7,182.21		
(b) Current maturities of finance lease obligations (secured) (see Note 5)	-	19.39		
(c) Interest accrued but not due on borrowings	48.00	20.68		
(d) Advance from Customers	2,084.35	102.65		
(e) Unpaid dividends *	-	2.37		
(f) Unpaid matured deposits and interest accrued thereon *	-	2.33		
(g) Other payables :				
(i) Statutory remittances	535.33	486.63		
(ii) Payables on purchase of fixed assets	14.95	18.09		
(iii) Security deposits	162.21	301.85		
(iv) Payables to Shipping Principals	47.76	769.20		
(v) Customers' balances and advances for supplies and services to be rendered	288.72	560.05		
(vi) Others	1.44	0.09		
(vii) Payable under forward contracts	14.02	-		
	<u>9,015.97</u>	<u>9,465.54</u>		
* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund				
<b>10. Short-term provisions</b>				
(a) Provision for employee benefits				
(i) Compensated absences	127.37	45.20		
(ii) Gratuity (see Note 31)	163.39	126.39		
(iii) Other post retirement benefits (see Note 31)	93.32	93.87		
	<u>384.08</u>	<u>265.46</u>		
(b) Others				
(i) Tax provisions less payments (other than deferred tax) [net of advance tax ₹ 5,104.40 Lakhs (Previous year: ₹ 5,104.40 Lakhs)]	671.26	735.65		
(ii) Provisions for wealth tax less payments [net of advance tax ₹ 79.73 Lakhs (Previous year: ₹ 53.44 Lakhs)]	8.36	34.65		
(iii) Provision for statutory dues (see Note 41A)	725.00	220.00		
(iv) Provision for estimated losses on onerous contracts (see Note 41B)	161.00	274.00		
(v) Provision for Premium payable on redemption of debentures	739.43	-		
	<u>2,305.05</u>	<u>1,264.30</u>		
	<u>2,689.13</u>	<u>1,529.76</u>		



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**11. Fixed assets**

₹ in Lakhs

Description of Assets	GROSS BLOCK (at cost)				DEPRECIATION / AMORTISATION						NET BLOCK			
	As at 31st March, 2015	Additions during the year	Deductions during the year	Regrouping	Transferred to Asset Held for sale (see Note 37)	As at 31st March, 2016	Upto 31st March, 2015	For the year	Regrouping	On deduction during the year	Other Adjustments	Transferred to Asset Held for sale (see Note 37)	Upto 31st March, 2016	As at 31st March, 2016
<b>A. Tangible assets</b>														
1 Land: Freehold	1,745.74 1,68.08	-	-	1,577.66	125.57	1,620.17 1,745.74	-	-	-	-	-	-	-	1,620.17 1,745.74
Leasehold	861.52 861.52	-	-	-	823.87	37.65 861.52	33.42	33.42	-	-	-	340.00	12.68 319.26	24.97 542.26
2 Buildings [see footnote 1 and Note 34(b)]	6,470.80 8,032.86	18.13 27.63	-	(1,577.48)	3,392.59	3,096.34 6,470.80	208.53 12.05	(12.31)	0.05	-	13.97	921.36	1,726.92 2,439.75	1,369.42 4,031.05
3 Plant and equipment (see Footnote 2)	10,874.87 10,676.88	157.76 247.80	60.70 49.81	-	778.31	10,193.62 10,874.87	363.27 343.60	-	59.57 45.06	-	13.87	308.61	7,712.96 7,717.87	2,480.66 3,157.00
4 Furniture and fixtures	473.94 467.97	18.53 10.01	19.89 4.04	-	222.82	249.76 473.94	63.35 63.68	-	19.43 4.01	-	8.64	178.94	197.41 332.43	52.35 141.51
5 Vehicles	82.28 87.93	19.46	19.06 5.65	-	13.42	69.26 82.28	9.67 8.09	-	19.06 5.65	-	-	13.42	41.88 64.69	27.38 17.59
6 Office equipments	813.46 779.42	57.52 46.66	34.29 12.44	(0.18)	500.16	336.53 813.46	99.01 76.38	(0.05)	32.82 3.03	-	159.00	393.14	245.56 572.51	90.97 240.95
7 Computer Hardware Owned	328.24 332.97	36.74 6.47	118.93 11.20	-	40.61	205.44 328.24	10.54 30.94	-	118.93 11.20	-	-	39.70	170.58 318.67	34.86 9.57
Taken on finance lease [see Note 34(a)]	120.56 122.14	-	50.90 1.78	-	4.79	64.67 120.36	1.02 44.71	-	50.90 1.52	-	-	4.79	64.69 119.36	(0.02) 1.00
<i>Previous Year</i>	21,771.21 21,529.77	308.14 338.57	303.77 97.13	-	5,902.14	15,873.44 21,771.21	788.81 588.71	-	300.71 84.52	-	195.48	2,199.97	10,172.68 11,884.54	5,700.76 9,886.67
<b>B. Intangible assets (Acquired)</b>														
Computer software	929.83	37.41	0.56	-	48.95	917.73	46.99	-	0.57	-	-	39.24	828.89	88.84
<i>Previous Year</i>	882.36	47.47	-	-	-	929.83	126.24	-	-	-	-	-	821.71	108.12

**Footnotes:**

- Buildings (Cost) include: (i) Residential flats and office premises ₹ 69.54 Lakhs (*Previous year: ₹ 69.54 Lakhs*) in respect of which Co-operative societies are yet to be formed; (ii) Shares in Co-operative Housing Societies, Association of apartment owners and in a company ₹ 0.17 Lakh (*Previous year: ₹ 0.17 Lakh*); (iii) Premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land ₹ 28.66 Lakhs (*Previous year: ₹ 28.66 Lakhs*); and (iv) Jointly owned Residential Premises ₹ 28.39 Lakhs (*Previous year: ₹ 28.39 Lakhs*).
- Plant and equipment includes jointly owned assets ₹ 10.25 Lakhs (*Previous year: ₹ 10.25 Lakhs*).
- Figures in italics are in respect of previous year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs
<b>12. Non - current investments</b>		
<b>Long-term - unquoted (fully paid) [valued at cost unless otherwise stated]</b>		
<b>(a) Trade investments in a subsidiary company</b>		
<b>In equity shares</b>		
8,64,960 (Previous year: 8,64,960) equity shares of SGD 1 each in Forbes Container Lines Pte. Limited [At cost less provision for other than temporary diminution in value ₹ 271.26 Lakhs (Previous year: ₹ Nil)]	-	271.26
<b>(b) Other than trade investments</b>		
<b>In equity shares</b>		
<b>In subsidiaries</b>		
1. 50,385 (Previous year: 50,385) equity shares of ₹100 each in Volkart Fleming Shipping and Services Limited	6.82	6.82
2. 38,64,131 (Previous year: 38,64,131) equity shares of ₹ 10 each in Forbes Campbell Finance Limited [At cost less amount written off ₹ 1,143.70 Lakhs (Previous year ₹ 1,143.70 Lakhs)]	1,781.79	1,781.78
3. 37,28,000 (Previous year: 37,28,000) equity shares of ₹ 10 each in Eureka Forbes Limited	4,067.86	4,067.86
4. 50,00,100 (Previous year: 50,00,100) equity shares of ₹ 10 each in Forbes Bumi Armada Offshore Limited	500.01	500.01
5. 1,50,00,000 (Previous year: 1,00,00,000) equity shares of ₹ 10 each in Forbes Technosys Limited	1,500.00	1,000.00
6. 4,87,500 (Previous year: 50,000) equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	180.00	5.00
7. 4,00,00,000 (Previous year: 4,00,00,000) equity shares of ₹10 each in Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCI Forbes Limited) [At cost less provision for other than temporary diminution in value ₹ 2,380 Lakhs (Previous year ₹ 2,380 Lakhs)]	1,620.00	1,620.00
<b>In joint ventures</b>	<b>9,656.48</b>	<b>8,981.47</b>
1. 2,500 (Previous year: 2,500) equity shares of USD 1 each in Edumetry Inc. USA [At cost less provision for other than temporary diminution in value ₹ 35.48 Lakhs (Previous year: ₹ 35.48 Lakhs)]	-	-
<b>In associates</b>		
1. Nil (Previous year: 4,20,170) equity shares of ₹10 each in The Svadeshi Mills Company Limited [At cost less provision for other than temporary diminution in value ₹ Nil (Previous year: ₹ 150.33 Lakhs)]	-	-
2. 58,849 (Previous year: 58,849) equity shares of ₹ 10 each in Neuvo Consultancy Services Limited [At cost less provision for other than temporary diminution in value ₹ 5.88 Lakhs (Previous year ₹ 5.88 Lakhs)]	-	-
<b>In other entities</b>		
1. 5,500 (Previous year: 5,500) equity shares of ₹10 each in New India Co-operative Bank Limited	0.55	0.55
2. 10 (Previous year: 10) equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [At cost less provision for other than temporary diminution in value ₹ 0.05 Lakhs (Previous year ₹ 0.05 Lakhs)]	-	-
3. 1,000 (Previous year: 1,000) Equity Shares of ₹10 each in Simar Port Private Limited	0.10	0.10
4. 4,20,170 (Previous year: Nil) equity shares of ₹10 each in The Svadeshi Mills Company Limited [At cost less provision for other than temporary diminution in value ₹ 150.33 Lakhs (Previous year: ₹ Nil)]	-	-
	<b>0.65</b>	<b>0.65</b>
	<b>9,657.13</b>	<b>8,982.12</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs
<b>12. Non - current investments (contd..)</b>		
<b>In preference shares</b>		
<b>In a subsidiary company</b>		
20,00,000 ( <i>Previous year: 20,00,000</i> ) 8% Cumulative Optionally Convertible Preference Shares of ₹ 10 each in Forbes Technosys Limited	200.00	200.00
2,00,00,000 ( <i>Previous year: 2,00,00,000</i> ) 8% Cumulative Compulsory Convertible, Optionally Redeemable Preference Shares of ₹ 10 each in Forbes Technosys Limited	2,000.00	2,000.00
3,09,00,000 ( <i>Previous year: 3,09,00,000</i> ) Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (formerly known as SCIForbes Limited)	3,090.00	3,090.00
<b>In debentures in a subsidiary company</b>	<b>5,290.00</b>	<b>5,290.00</b>
1,72,67,500 ( <i>Previous year: 1,72,67,500</i> ) 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited	1,726.75	1,726.75
	<b>1,726.75</b>	<b>1,726.75</b>
	<b>16,673.88</b>	<b>16,270.13</b>
<b>Footnote:</b>		
Aggregate amount of unquoted investments (net)		16,673.88
Aggregate provision for other than temporary diminution in value of investments		2,843.00
Aggregate amount of write-off of investments		1,143.70
<b>13. Long-term loans and advances</b>		
(unsecured, considered good unless otherwise stated)		
(a) Capital advances		148.85
(b) Security deposits		125.38
(i) Unsecured, considered good	97.67	177.02
(ii) Doubtful	9.80	9.80
	107.47	186.82
Less: Provision for doubtful deposits	9.80	9.80
		97.67
(c) Loans and advances to related parties (see Notes 33 and 50)		
(i) Secured, considered doubtful	-	4,716.78
(ii) Unsecured, considered doubtful	72.53	112.02
	72.53	4,828.80
Less: Provision for doubtful loans and advances	72.53	4,828.80
		-
(d) Loans and advances to employees		6.23
(e) Prepaid expenses		13.30
(f) Advance income tax including fringe benefit tax [net of provisions ₹ 2,919.39 lakhs ( <i>Previous year : ₹ 2,855.00 lakhs</i> )]		3,203.23
(g) Advance wealth tax		58.16
(h) Balances with statutory / government authorities		
(i) Unsecured, considered good	537.37	261.57
(ii) Doubtful	46.69	46.69
	584.06	308.26
Less: Provision for doubtful balances	46.69	46.69
		537.37
(i) Other Loans and advances (see Notes 50)		
Secured, considered doubtful	4,391.78	-
Less: Provision for doubtful loans and advances	4,391.78	-
		-
		-
	<b>4,064.81</b>	<b>3,485.80</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>14. Other Non Current Assets</b> (unsecured, considered good unless otherwise stated)			<b>17. Cash and cash equivalents</b>		
Balance held as margin money with banks with remaining maturity period of more than 12 months	62.88	1.15	<b>(a) Balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements</b>		
	<u>62.88</u>	<u>1.15</u>	1. Cash on hand	5.43	3.95
<b>15. Inventories (valued at lower of cost and net realizable value)</b>			2. Cheques, drafts on hand	16.32	9.86
(a) Raw materials and components	983.36	1,384.55	3. Balances with banks:		
(b) Work-in-progress (see Note 44)	360.03	430.52	I) In current accounts	582.36	581.04
(c) Finished goods (see Note 43A)	725.89	573.26	II) In deposit accounts (with original maturity upto 3 months)	755.00	-
(d) Stock-in-trade (in respect of goods acquired for trading) (see Note 43B)	3.53	2.19		<u>1,337.36</u>	<u>581.04</u>
(e) Stores, spares and loose tools	263.73	271.38	<b>(b) Other bank balances</b>		
(f) Real estate development work-in-progress	1,524.45	1,043.30	1. In Earmarked accounts: - Unpaid dividends	-	2.37
	<u>3,860.99</u>	<u>3,705.20</u>	2. Balances held as margin money / under lien with remaining maturity of less than 12 months	64.88	120.68
<b>16. Trade receivables</b>				<u>64.88</u>	<u>123.05</u>
<b>(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment:</b>				<u>1,423.99</u>	<u>717.90</u>
(i) Unsecured, considered good	316.06	438.56	<b>18. Short-term loans and advances</b> (unsecured, considered good unless otherwise stated)		
(ii) Doubtful	638.56	575.79	<b>(a) Loans and advances to related parties (see Note 33)</b>		
	<u>954.62</u>	<u>1,014.35</u>	(i) Unsecured, considered good	500.00	65.00
Less: Provision for doubtful trade receivables	638.56	575.79	(ii) Doubtful	302.47	-
	<u>316.06</u>	<u>438.56</u>		<u>802.47</u>	<u>65.00</u>
<b>(b) Other trade receivables:</b>			Less: Provision for doubtful loans and advances	302.47	-
(i) Unsecured, considered good	3,990.63	4,276.27		<u>500.00</u>	<u>65.00</u>
(ii) Doubtful	11.59	-	(b) Security deposits	112.22	9.75
	<u>4,002.22</u>	<u>4,276.27</u>	<b>(c) Loans and advances to employees</b>		
Less: Provision for doubtful trade receivables	11.59	-	(i) Unsecured, considered good	12.75	11.37
	<u>3,990.63</u>	<u>4,276.27</u>	(ii) Doubtful	2.40	0.82
	<u>4,306.69</u>	<u>4,714.83</u>		<u>15.15</u>	<u>12.19</u>
Debts due from private companies in which a director of the Company is a director / member. Shapoorji Pallonji and Company Private Limited	5.08	3.59	Less: Provision for doubtful loans and advances	2.40	0.82
				<u>12.75</u>	<u>11.37</u>
			(d) Prepaid expenses	157.55	217.50
			(e) Balances with statutory / government authorities	124.90	155.85
			(f) Advances for supply of goods and services		
			(i) Unsecured, considered good	260.35	142.42
			(ii) Doubtful	22.29	15.91
				<u>282.64</u>	<u>158.33</u>
			Less: Provision for doubtful advances	22.29	15.91
				<u>260.35</u>	<u>142.42</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
(g) Other Loans and advances			<b>20. Revenue from operations</b>		
(i) Secured, considered good (see Note 51)	364.99	-	(a) Sale of products (see Notes 43A and 43B)		
(ii) Unsecured, considered good	<u>0.64</u>	<u>3.68</u>	(i) Manufactured Goods	18,360.58	16,608.35
	<b>365.63</b>	<b>3.68</b>	(ii) Traded Goods	<u>17.61</u>	<u>202.13</u>
	<b>1,533.40</b>	<b>605.57</b>		<b>18,378.19</b>	16,810.48
<b>19. Other current assets</b> (unsecured, considered good unless otherwise stated)			(b) Sale of services Others		82.15
(a) Unbilled Revenue		2.75		<b>126.03</b>	
(b) Accruals:			(c) Other operating revenues:		
(i) Interest accrued on deposits with bank	1.04	2.77	(i) Rent and amenities	1,474.89	1,032.12
(ii) Interest accrued on investments	0.68	0.68	(ii) Export Incentives	23.10	56.88
(iii) Interest accrued on loans (see Note 51)	<u>652.05</u>	-	(iii) Others	<u>28.32</u>	<u>50.43</u>
		<b>653.77</b>		<b>1,526.31</b>	1,139.43
(c) Others:				<b>20,030.53</b>	<b>18,032.06</b>
(i) Contractually reimbursable expenses			<b>21. Other income</b>		
(I) Unsecured, considered good	71.90	112.28	(a) Interest income		
(II) Doubtful	<u>-</u>	<u>6.62</u>	(i) on long-term investments in a subsidiary company	1.73	1.89
	71.90	118.90	(ii) on bank deposits	40.92	14.86
Less: Provision for doubtful debts	<u>-</u>	<u>6.62</u>	(iii) on inter-corporate deposits	49.13	103.22
		<b>71.90</b>	(iv) on income-tax refund	-	108.52
		<b>501.71</b>	(v) from customers and others	<u>1.63</u>	<u>2.30</u>
(ii) Contractually reimbursable expenses from related parties		310.93		<b>93.41</b>	230.79
(iii) Export incentives receivable		117.25	(b) Dividend income		
(iv) Other receivables		76.76	(i) from long-term investments	0.06	0.06
(v) Fixed assets held for sale (see Note 11 and 37)		-	(ii) from current investments	<u>73.45</u>	<u>46.45</u>
		<b>3,711.88</b>		<b>73.51</b>	46.51
		<b>5,054.88</b>	(c) Profit on sale of fixed assets (net)		37.70
		<b>623.42</b>	(d) Net gain on sale of current investments	-	1.37
		<b>623.42</b>	(e) Net gain on foreign currency transactions and translations (other than considered as finance cost)		4.47
		<b>623.42</b>	(f) Other non-operating income		
		<b>623.42</b>	(i) Credit balances / provisions written back	400.27	66.99
		<b>623.42</b>	(ii) Miscellaneous income	<u>233.94</u>	<u>201.06</u>
		<b>623.42</b>		<b>811.85</b>	<b>588.89</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016		Year ended 31st March, 2015			Year ended 31st March, 2016		Year ended 31st March, 2015	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>22. Cost of materials consumed</b> (see Notes 42A and 48a)					<b>25. Finance costs</b>				
Opening stock of raw materials and components	1,384.55		1,994.27		(a) Interest expense on:				
Add: Purchases	6,630.42		5,444.62		i) Borrowings	1,542.64		1,578.58	
	8,014.97		7,438.89		ii) Trade Payables	28.21		20.66	
Less: Closing stock of raw materials and components	983.36		1,384.55		iii) Delayed payment of taxes	1.90		16.42	
		<b>7,031.61</b>		<b>6,054.34</b>			<b>1,572.75</b>		<b>1,615.66</b>
Note:					(b) Other borrowing costs - loan processing charges and premium on forward contract		<b>266.39</b>		258.29
1 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 and provision for obsolete items.					(c) Net loss on foreign currency transactions and translations (considered as finance cost)		<b>46.27</b>		4.97
2 Above includes reversal of prior period consumption of ₹ 91.16 Lakhs.							<b>1,885.41</b>		<b>1,878.92</b>
<b>23. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>					<b>26. Depreciation and amortisation expense</b>				
(a) Inventories at the end of the year:					(a) Depreciation on tangible assets (see Note 11A)	788.81		588.71	
(i) Finished goods	725.89		573.26		(b) Amortisation on intangible assets (see Note 11B)	46.99		126.24	
(ii) Work-in-progress	360.03		430.52		(c) Less: Transferred to Real Estate development expenses work-in-progress	(1.13)		-	
(iii) Stock-in-trade	3.53		2.19		(d) Less: Depreciation related to discontinuing operations (see Note 37)	(336.91)		(380.37)	
(iv) Real estate development work-in-progress	1,524.45		1,043.30				<b>497.76</b>		<b>334.58</b>
	2,613.90		2,049.27		<b>27. Other expenses</b>				
(b) Inventories at the beginning of the year:					(a) Consumption of stores and spare parts [after transferring ₹ 178.03 Lakhs (Previous year: ₹ 155.50 Lakhs) to other accounts] (see Note 48(b))		<b>631.50</b>		703.06
(i) Finished goods	573.26		728.19		(b) Increase / (Decrease) of excise duty on inventory		<b>24.07</b>		(24.56)
(ii) Work-in-progress	430.52		373.30		(c) Real estate development expenses -				
(iii) Stock-in-trade	2.19		4.01		i) Material and Contractual Payments	91.88		5.83	
(iv) Real estate development work-in-progress	1,043.30		177.79		ii) Professional & Technical Consultancy Fees	77.03		109.26	
		<b>2,049.27</b>		<b>1,283.29</b>	iii) Project Management Consultancy Fees	99.28		-	
Net increase		<b>(564.63)</b>		<b>(765.98)</b>	iv) Fees-filing with Statutory Authorities	197.48		750.43	
<b>24. Employee benefits expense</b>					v) Other Costs	15.47		-	
(a) Salaries and wages	3,338.18		3,205.94				<b>481.14</b>		865.52
(b) Contributions to provident and other funds	250.71		288.80		(d) Processing charges		<b>1,134.18</b>		1,255.93
(c) Staff welfare expenses	242.43		251.51		(e) Power and fuel		<b>552.53</b>		520.49
		<b>3,831.32</b>		<b>3,746.25</b>	(f) Rent and hire charges		<b>284.43</b>		267.89
					(g) Repairs to :				
					(i) Buildings	332.67		201.86	
					(ii) Machinery	252.30		234.59	
					(iii) Others	159.32		208.58	
							<b>744.29</b>		<b>645.03</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31st March, 2016	Year ended 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
(h) Insurance	69.80	68.67	<b>29. Contingent liabilities:</b>		
(i) Rates and taxes (excluding taxes on income)	631.63	347.76	<b>(a) Claims against the Company not acknowledged as debts</b>		
(j) Brokerage, commission, discount and other selling expenses	393.89	413.69	<b>1) Taxes in dispute:-</b>		
(k) Printing and Stationery	67.05	60.13	(i) Excise demand (Advance paid against the demand ₹ 29.36 Lakhs; <i>Previous year ₹ 29.36 Lakhs</i> )	4,774.54	4,774.54
(l) Communication	128.61	127.20	(ii) Sales tax (Advance paid against the demand ₹ 500.73 Lakhs; <i>Previous year ₹ 225.16 Lakhs</i> )	8,138.71	2,297.83
(m) Legal and professional charges	484.95	535.41	(iii) Income-tax (Advance paid against the demand ₹ 928.13 Lakhs; <i>Previous year ₹ 1,347.30 Lakhs</i> )	1,274.43	4,136.46
(n) Travelling and conveyance	318.98	272.48	(iv) Service-tax (Advance paid ₹ Nil)	732.68	732.68
(o) Payments to auditors (net of service tax input credit, where applicable):			(v) Entry-tax (Advance paid ₹ 38.45 Lakhs; <i>Previous year</i> ₹ 38.45 Lakhs)	76.90	76.90
(a) To statutory auditors			(vi) Customs duty (Advance paid ₹ 0.18 Lakhs; <i>Previous year</i> ₹ 0.18 Lakhs)	2.00	2.00
(i) For audit	47.00	40.00	(vii) Wealth tax (Advance paid ₹ 14.95 Lakhs; <i>Previous year</i> ₹ 14.95 Lakhs)	409.86	14.95
(ii) For taxation matters	19.00	12.00	(viii) Property tax	451.61	451.61
(iii) For company law matters	0.35	0.35	2) Labour matters in dispute	17.07	9.00
(iv) For other services	19.69	13.40	3) Claim of Madhya Gujarat Vij Co. Ltd. for alleged diversion of fraction of the power consumed and contested by the Company in the Court	188.29	188.29
(v) For reimbursement of expenses	0.48	0.34	4) Customer claims (Advance paid against the demand ₹ 50.18 Lakhs; <i>Previous year</i> ₹ 50.18 Lakhs)	3,036.18	3,042.26
	86.52	66.09	5) Other legal matters	6.20	6.20
(b) To cost auditors for cost audit	2.60	2.50	<b>(b) Guarantees:-</b>		
	89.12	68.59	(i) Guarantees given on behalf of Shipping Principals including subsidiary and Surety Bonds jointly executed with third parties in favour of customs and other parties	12,414.61	12,404.50
(p) Trade receivables / advances written off*	48.96	456.31	(ii) Guarantee on behalf of subsidiary companies	19,881.44	19,721.55
Less: Provision held	-	12.08			
	48.96	444.23			
(q) Provision for doubtful trade receivables	95.54	16.22			
(r) Provision for doubtful loans and advances	304.56	0.85			
(s) Miscellaneous expenses	384.84	270.77			
	6,870.07	6,859.36			
	<u>6,870.07</u>	<u>6,859.36</u>			
*Includes lapsed export incentives licenses of ₹ 23.73 Lakhs ( <i>Previous year Nil</i> ) for the prior period written off during the year.					
<b>28. Exceptional items - Income / (Expense)</b>					
(a) Income on settlement of dues (see Note 51)	652.05	-			
(b) Arrears of Rental Income	1,172.05	-			
(c) Termination benefits and one time settlement with employees	-	(80.57)			
(d) (Provision)/Reversal for diminution in the value of investments	(271.26)	1,064.15			
	<u>1,552.84</u>	<u>983.58</u>			

**Note:**

In respect of item mentioned above, till the matters are finally decided, the timing of outflow of economic benefits cannot be ascertained.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 30. Capital and other commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 423.04 Lakhs; (*Previous year: ₹ 188.61 Lakhs*)  
[against which advance paid aggregating ₹ 148.85 Lakhs; (*Previous year: ₹ 125.38 Lakhs*)]

(b) For commitments relating to lease arrangements, see Note 34(a).

## 31. Employee benefits obligations

## Defined-contribution plans:

The Company has recognised the following amounts in the statement of profit and loss in note 25(b), "Contributions to provident and other funds":

Particulars	Year ended 31st March, 2016 ₹ in Lakhs	Year ended 31st March, 2015 ₹ in Lakhs
Provident fund	154.19	167.72
Superannuation fund	83.59	64.47
Total contribution	237.78	232.19

Details of defined benefit plans are as follows:

(₹ in Lakhs)

	31st March, 2016		31st March, 2015	
	Funded	Non funded	Funded	Non funded
	Gratuity	Others (Post Retirement medical and non compete fees)	Gratuity	Others (Post Retirement medical and non compete fees)
Present value of commitments	907.71	376.94	855.70	433.40
Fair value of plan assets	744.32	-	729.31	-
<b>Net liability in the balance sheet</b>	<b>163.39</b>	<b>376.94</b>	<b>126.39</b>	<b>433.40</b>
<b>Defined benefit commitments:</b>				
<b>Opening balance as at 1<sup>st</sup> April</b>	855.70	433.40	785.34	401.67
Interest expenses	68.37	34.64	73.19	37.44
Current service cost	56.18	1.69	37.48	4.00
Paid benefits	(77.79)	(54.98)	(114.85)	(58.94)
Actuarial (gain) / loss	5.25	(37.81)	74.54	49.23
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>907.71</b>	<b>376.94</b>	<b>855.70</b>	<b>433.40</b>
<b>Plan assets</b>				
<b>Opening balance as at 1<sup>st</sup> April</b>	729.31	-	764.11	-
Expected return on scheme assets	58.27	-	66.48	-
Contributions by the Company	29.62	-	16.44	-
Paid funds	(77.79)	-	(114.85)	-
Actuarial gain / (loss)	4.91	-	(2.87)	-
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>744.32</b>	<b>-</b>	<b>729.31</b>	<b>-</b>
<b>Return on plan assets</b>				
Expected return on plan assets	58.27	-	66.48	-
Actuarial gain / (loss)	4.91	-	(2.87)	-
Actual return on plan assets	<b>63.18</b>	<b>-</b>	<b>63.61</b>	<b>-</b>
<b>Expenses on defined benefit plan:</b>				
Current service costs	56.18	1.69	37.48	4.00
Interest expense	68.37	34.64	73.19	37.44
Expected return on investment	(58.27)	-	(66.48)	-
Net actuarial (gain) / loss	0.34	(37.81)	77.41	49.23
Expenses charged to the statement of profit and loss	<b>66.62</b>	<b>(1.48)</b>	<b>121.60</b>	<b>90.67</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

(₹ in Lakhs)

**Investment details**

Funds managed by Insurer

	31st March, 2016	31st March, 2015
	100%	100%

The actuarial calculations used to estimate defined benefit commitments for gratuity and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

	31st March, 2016	31st March, 2015
Rate for discounting liabilities	8.04%	7.99%
Expected salary increase rate	6.00%	6.00%
Expected return on scheme assets	8.04%	7.99%
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The actuarial calculations used to estimate defined benefit commitments for medical quota are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and expense:

	31st March, 2016	31st March, 2015
Rate for discounting liabilities	8.06%	7.96%

**Experience adjustment:**

**Gratuity**

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	907.71	855.70	785.34	968.85	875.16
Plan asset	744.32	729.31	764.11	775.07	601.68
Deficit in plan asset	163.39	126.39	21.23	193.78	273.48
Experience adjustment on plan assets gain / (loss)	4.91	(2.87)	7.99	6.13	7.04
Experience adjustment on plan liabilities loss / (gain)	8.04	(2.47)	32.01	119.55	75.75

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The contribution expected to be made by the Company during the financial year 2016-17 is ₹ 105.18 Lakhs (*Previous year: ₹ 101.57 Lakhs*).

**Other Post Retirement Benefits**

The information in respect of medical cost trend rates and the effect of an increase / decrease of 1% point in the assumed medical cost trend rates on current service cost, interest cost, accumulated post employment benefit cost and experience adjustment is not available; during the year, medical cost of ₹ 1.59 Lakhs (*Previous year: ₹ 13.98 Lakhs*) is recognised to the statement of profit and loss based on actuarial valuation.

The Company has charged amounts aggregating ₹ (6.46) Lakhs; (*Previous year: ₹ 86.33 Lakhs*) to the statement of profit and loss based on actuarial valuation [Present value of future obligation as at 31st March, 2016 ₹ 350.13 Lakhs; (*Previous year: ₹ 411.57 Lakhs*)] and paid ₹ 54.98 Lakhs (*Previous year: ₹ 58.92 Lakhs*), towards the post retirement arrangements to former Managing Directors and other Directors.

**32. Segment reporting**

The Company has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Engineering", "Real estate" and "Energy Solution" segment. The "Shipping and logistics services" segment has been discontinued. The Company 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## (a) Information about primary business segments for the year:

Particulars	Continued Operations								Discontinuing Operations				Total Operations	
	Engineering		Real estate		Energy Solution		Total		Shipping and logistics services		Elimination		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
External segment revenue	13,936.89	13,214.75	2,646.94*	1,032.12	2,744.10	2,070.64	19,327.93*	16,317.51	7,093.64	12,420.14				
Add: Inter segment revenue	-	-	72.35	68.27	-	-	72.35	68.27	4.19	8.03	(76.54)	(76.30)		
<b>Revenue from operations</b>	<b>13,936.89</b>	<b>13,214.75</b>	<b>2,719.29</b>	<b>1,100.39</b>	<b>2,744.10</b>	<b>2,070.64</b>	<b>19,400.28</b>	<b>16,385.78</b>	<b>7,097.83</b>	<b>12,428.17</b>	<b>(76.54)</b>	<b>(76.30)</b>	<b>26,421.57</b>	<b>28,737.65</b>
<b>Segment Results - before Exceptional Items</b>	<b>1,567.91</b>	<b>1,343.95</b>	<b>974.83</b>	<b>831.63</b>	<b>231.68</b>	<b>280.85</b>	<b>2,774.42</b>	<b>2,456.43</b>	<b>(770.45)</b>	<b>274.81</b>	-	-	<b>2,003.97</b>	<b>2,731.24</b>
Exceptional items allocated to segments	-	(80.57)	-	-	-	-	-	(80.57)	46.98	-	-	-	46.98	(80.57)
<b>Segment Results - after exceptional items</b>	<b>1,567.91</b>	<b>1,263.38</b>	<b>974.83</b>	<b>831.63</b>	<b>231.68</b>	<b>280.85</b>	<b>2,774.42</b>	<b>2,375.86</b>	<b>(723.47)</b>	<b>274.81</b>	-	-	<b>2,050.95</b>	<b>2,650.67</b>
Add: Unallocated income													737.89	442.02
Less: Unallocated expenses													(1,050.16)	(2,335.70)
Less: Exceptional items other than related to segments (net)													380.79	1,064.15
<b>Profit before tax and finance costs</b>													<b>2,119.47</b>	<b>1,821.14</b>
Less: Finance costs													1,897.78	1,878.99
<b>Profit/(Loss) before tax</b>													<b>221.69</b>	<b>(57.85)</b>
<b>Provision for taxation:</b>														
Current tax expense													-	-
Excess provision for tax relating to prior years													-	-
<b>Profit/(Loss) after tax</b>													<b>221.69</b>	<b>(57.85)</b>
<b>Capital employed</b>														
<b>Segment assets</b>	<b>8,678.84</b>	<b>7,654.07</b>	<b>5,138.77</b>	<b>4,258.09</b>	<b>1,540.72</b>	<b>2,632.85</b>			<b>4,285.76</b>	<b>4,922.86</b>			<b>19,644.09</b>	<b>19,467.87</b>
Unallocated corporate assets													23,731.31	20,678.74
<b>Total assets</b>													<b>43,375.40</b>	<b>40,146.61</b>
<b>Segment liabilities</b>	<b>3,766.16</b>	<b>2,754.42</b>	<b>3,575.21</b>	<b>1,452.53</b>	<b>536.25</b>	<b>1,108.46</b>			<b>953.25</b>	<b>2,167.20</b>			<b>8,830.87</b>	<b>7,482.61</b>
Unallocated corporate liabilities													2,365.05	1,909.10
<b>Total liabilities</b>													<b>11,195.92</b>	<b>9,391.71</b>
<b>Capital employed</b>	<b>4,912.68</b>	<b>4,899.65</b>	<b>1,563.56</b>	<b>2,805.56</b>	<b>1,004.47</b>	<b>1,524.39</b>			<b>3,332.51</b>	<b>2,755.66</b>			<b>10,813.22</b>	<b>11,985.26</b>
Unallocated													21,366.26	18,769.64
<b>Total Capital employed</b>													<b>32,179.48</b>	<b>30,754.90</b>
<b>Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress</b>	<b>301.39</b>	<b>274.59</b>	<b>519.16</b>	<b>24.94</b>	<b>5.48</b>	<b>-</b>			<b>39.52</b>	<b>22.54</b>			<b>865.55</b>	<b>322.07</b>
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress													56.47	32.44
<b>Total capital expenditure</b>													<b>922.02</b>	<b>354.51</b>
<b>Segment depreciation / amortisation</b>	<b>339.63</b>	<b>364.05</b>	<b>102.67</b>	<b>(122.44)</b>	<b>9.25</b>	<b>10.47</b>			<b>336.91</b>	<b>380.37</b>			<b>788.46</b>	<b>632.45</b>
Unallocated corporate depreciation / amortisation													46.21	82.50
<b>Total depreciation / amortisation</b>													<b>834.67</b>	<b>714.95</b>
<b>Non-cash segment expenses other than depreciation</b>	<b>136.85</b>	<b>16.97</b>	<b>3.74</b>	<b>-</b>	<b>-</b>	<b>0.10</b>			<b>30.48</b>	<b>50.05</b>			<b>171.07</b>	<b>67.12</b>
Unallocated non-cash expenses other than depreciation													579.73	(619.92)
<b>Total non-cash expenses other than depreciation</b>													<b>750.80</b>	<b>(552.80)</b>

## (b) Information about geographical business segment for the year

	Within india		Outside india		Unallocated		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
<b>Revenue</b>	<b>24,434.06</b>	<b>26,777.38</b>	<b>1,987.51</b>	<b>1,960.27</b>	<b>-</b>	<b>-</b>	<b>26,421.57</b>	<b>28,737.65</b>
<b>Assets</b>	<b>19,266.01</b>	<b>19,028.72</b>	<b>378.08</b>	<b>439.15</b>	<b>23,731.31</b>	<b>20,678.74</b>	<b>43,375.40</b>	<b>40,146.61</b>
<b>Cost incurred to acquire segment assets including</b>	<b>865.55</b>	<b>322.07</b>	<b>-</b>	<b>-</b>	<b>56.47</b>	<b>32.44</b>	<b>922.02</b>	<b>354.51</b>

\* Includes Rs.1,172.05 Lakhs towards arrears of rental income classified as an exceptional item.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 33. (a) Related party disclosures**
- (A) Holding Company**  
Shapoorji Pallonji and Company Private Limited
- (B) Subsidiary Companies**
- 1 Eureka Forbes Limited and its subsidiaries:
    - a) Aquamall Water Solutions Limited and its subsidiary:
      - i) Aquadiagnostics Water Research & Technology Centre Limited
      - ii) Forbes Lux International AG and its subsidiaries:
        - ? Lux International AG and its subsidiary:
          - Lux Aqua GmbH, Switzerland
            - > Lux Aqua Hungary KFT
          - Lux Italia srl
          - Forbes Lux Group AG Baar and its subsidiary:
            - > Lux / Sk / s.r.o
          - Lux Schweiz AG
          - Lux (Deutschland) GmbH and its subsidiaries:
            - > Lux Service GmbH
            - > Lux Norge A/s
            - > Lux Oesterreich GmbH
            - > Lux CZ s.r.o
            - > Lux Hungaria Kereskedelmi Kft
          - LIAG Trading & Investment Limited
  - b) EFL Mauritius Limited
  - c) Euro Forbes Limited Dubai and its subsidiary:
    - i) Forbes Lux FZCO
  - d) Forbes Facility Services Pvt. Limited
  - e) Forbes Enviro Solutions Limited
  - f) Euro Forbes Financial Services Limited
- 2 Forbes Campbell Finance Limited and its subsidiaries
  - a) Forbes Bumi Armada Limited
  - b) Forbes Campbell Services Limited
  - c) Forbes Edumetry Limited ( Under voluntary winding up)
- 3 Forbes Technosys Limited
- 4 Forbes Bumi Armada Offshore Limited
- 5 Forbes Container Lines Pte. Limited and its subsidiary:
  - a) Forbesline Shipping Services LLC
- 6 Shapoorji Pallonji Forbes Shipping Limited
- 7 Campbell Properties & Hospitality Services Limited
- 8 Volkart Fleming Shipping and Services Limited
- 9 Technext E-Payments & Services Limited (incorporated on 14th July, 2015 and sold on 28th March, 2016)
- (C) Fellow Subsidiaries (where there are transactions):**
- 1 Afcons Infrastructure Limited
  - 2 Forvol International Services Limited
  - 3 Gokak Textiles Limited
  - 4 Shapoorji Pallonji Investment Advisors Pvt.Limited
  - 5 Shapoorji Pallonji Oil and Gas Pvt. Limited (earlier known as Cosima Properties Pvt. Limited)
  - 6 Sterling and Wilson Pvt. Limited
  - 7 SP Fabricators Pvt. Limited
  - 8 SP Architectural Coatings Pvt. Limited
- (D) Associate Companies (where there are transactions):**
- 1 The Svadeshi Mills Company Limited (refer Note 55)
  - 2 Coromandel Garments Limited (Subsidiary of The Svadeshi Mills Company Limited)
  - 3 Neuvo Consultancy Service Limited
- (E) Joint Ventures (where there are transactions):**
- 1 Edumetry Inc (Upto 28th October, 2015)
  - 2 Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)
  - 3 Nypro Forbes Products Limited (Joint venture of Forbes Campbell Finance Limited) (Upto 23rd February, 2015)
- (F) Key Management Personnel:**
- Managing Director, Mr. Ashok Barat



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 33. Related party disclosures (contd.)

₹ In Lakhs

## (b) Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:

	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
<b>Nature of Transaction</b>							
<b>Purchases / Services</b>							
1 Fixed Assets	401.51	-	-	-	-	-	401.51
	-	2.78	-	-	-	-	2.78
<b>Sales / Services</b>							
2 Goods and Materials	-	-	1.87	-	2.17	-	4.04
	-	22.26	271.22	-	-	-	293.48
3 Services Rendered	0.98	132.30	3.67	-	-	-	136.95
	9.92	174.36	6.60	-	-	-	190.88
4 Fixed Assets	-	-	-	-	-	-	-
	-	1.29	-	-	-	-	1.29
<b>Expenses</b>							
5 Rent	-	9.60	-	-	-	-	9.60
	-	8.40	-	-	-	-	8.40
6 Travelling and conveyance expenses	-	0.25	131.51	-	-	-	131.76
	-	0.24	108.44	-	-	-	108.68
7 Legal and professional charges	-	99.00	-	99.23	-	-	198.23
	-	135.29	-	-	-	-	135.29
8 Transportation, freight, handling and other charges	-	143.73	-	-	-	-	143.73
	-	118.66	-	-	-	-	118.66
9 Diminution in Value of Investments	-	-	-	-	-	-	-
	-	(1,064.14)	-	-	-	-	(1,064.14)
10 Real estate development expenses	65.08	-	-	-	-	-	65.08
	-	-	-	-	-	-	-
11 Provision for doubtful loans and advances / Trade receivable	-	302.47	7.81	-	0.51	-	310.79
	-	-	-	-	-	-	-
12 Trade receivables / advances written off	-	-	-	-	-	-	-
	-	-	-	-	444.23	-	444.23
13 Remuneration	-	-	-	-	-	142.72	142.72
	-	-	-	-	-	129.67	129.67
14 Miscellaneous expenses	-	67.09	0.19	-	-	-	67.27
	-	62.21	0.28	-	-	-	62.49
<b>Income</b>							
15 Rent and Other Service Charges	25.28	251.65	142.11	-	-	-	419.05
	35.61	216.92	99.80	-	-	-	352.33
16 Interest Received	-	50.86	-	-	-	-	50.86
	-	14.94	-	-	90.18	-	105.12
<b>Other Receipts</b>							
17 Other Reimbursements	-	99.03	23.48	46.92	-	-	169.43
	-	82.89	20.27	5.73	-	-	108.89

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**33. Related party disclosures (contd.)**

*₹ In Lakhs*

**(b) Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:**

		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
	<b>Finance</b>							
18	Inter-corporate deposits given	-	<b>1,302.47</b>	-	-	-	-	<b>1,302.47</b>
		-	-	-	-	-	-	-
19	Deposit Given	<b>15.00</b>	<b>1.00</b>	-	-	<b>0.51</b>	-	<b>16.51</b>
		-	<i>7.00</i>	-	<i>14.50</i>	-	-	<i>21.50</i>
20	Repayment of Deposits Given	<b>15.00</b>	<b>566.00</b>	-	-	-	-	<b>581.00</b>
		-	<i>127.00</i>	-	<i>5.73</i>	<i>976.16</i>	-	<i>1,108.89</i>
21	Investment in Subsidiaries	-	<b>675.00</b>	-	-	-	-	<b>675.00</b>
		-	<i>5.00</i>	-	-	-	-	<i>5.00</i>
22	Redemption of Investment	-	-	-	-	-	-	-
		-	<i>170.00</i>	-	-	-	-	<i>170.00</i>
	<b>Guarantees</b>							
23	Given on behalf of a Subsidiary	-	-	-	-	-	-	-
		-	<i>5,000.00</i>	-	-	-	-	<i>5,000.00</i>
	<b>Outstandings</b>							
24	Trade Payables	<b>95.74</b>	<b>146.65</b>	<b>4.75</b>	<b>32.26</b>	-	-	<b>279.41</b>
		-	<i>710.37</i>	<i>7.01</i>	-	-	-	<i>717.38</i>
25	Advances received from customer	<b>4.03</b>	-	-	-	-	-	<b>4.03</b>
		-	-	-	-	-	-	-
26	Interest accrued	-	<b>0.68</b>	-	-	-	-	<b>0.68</b>
		-	<i>0.68</i>	-	-	-	-	<i>0.68</i>
27	Trade Receivables	<b>5.08</b>	<b>174.70</b>	<b>15.96</b>	-	-	-	<b>195.73</b>
		<i>3.59</i>	<i>124.68</i>	<i>317.16</i>	<i>20.15</i>	-	-	<i>465.58</i>
28	Long Term Loans and Advances	-	-	-	-	<b>72.53</b>	-	<b>72.53</b>
		-	-	-	<i>4,756.77</i>	<i>72.03</i>	-	<i>4,828.80</i>
29	Short Term Loans and Advances	-	<b>488.88</b>	<b>12.83</b>	-	-	-	<b>501.71</b>
		-	<i>289.53</i>	<i>12.13</i>	<i>9.27</i>	-	-	<i>310.93</i>
30	Provision for Doubtful Loans and Advances	-	<b>302.47</b>	-	-	<b>72.53</b>	-	<b>375.01</b>
		-	-	-	<i>4,756.77</i>	<i>72.03</i>	-	<i>4,828.80</i>
31	Provision for Doubtful Trade Receivables	-	-	<b>7.81</b>	-	-	-	<b>7.81</b>
		-	-	-	<i>20.15</i>	-	-	<i>20.15</i>
32	Deposits Payable	-	-	<b>48.25</b>	-	-	-	<b>48.25</b>
		-	-	-	-	-	-	-
33	Deposits Receivable	-	<b>5.00</b>	-	-	-	-	<b>5.00</b>
		-	<i>5.00</i>	-	-	-	-	<i>5.00</i>
34	Inter-corporate deposits receivable	-	<b>802.47</b>	-	-	-	-	<b>802.47</b>
		-	<i>65.00</i>	-	-	-	-	<i>65.00</i>
35	Guarantees Given	-	<b>26,952.94</b>	<b>27.31</b>	-	-	-	<b>26,980.25</b>
		-	<i>28,626.05</i>	-	-	-	-	<i>28,626.05</i>
36	Guarantees Taken	<b>3,308.87</b>	-	-	-	-	-	<b>3,308.87</b>
		<i>3,130.22</i>	-	-	-	-	-	<i>3,130.22</i>

**Footnotes:**

Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

33. Related party disclosures (contd.)  
(c) The above Transactions include:

S. No.	Nature of Transaction	₹ In Lakhs													
		A Shapoorji Pallonji and Company Pvt. Ltd.	B Eureka Forbes Ltd.	B Forbes Facility Services Pvt. Ltd.	B Forbes Campbell Finance Ltd.	B Forbes Campbell Services Ltd.	B Forbes Technosys Ltd.	B Forbes Bumi Armada Offshore Ltd	B Forbes Container Lines Pte. Ltd.	B Campbell Properties & Hospitality Services Ltd.	B Volkart Fleming Shipping & Services Ltd.				
1	<b>Purchases / Services</b> Fixed Assets	401.51	-	-	-	-	2.78	-	-	-	-	-	-	-	-
2	<b>Sales / Services</b> Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Services Rendered	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Fixed Assets	-	-	-	-	-	-	-	-	1.29	-	-	-	-	-
5	<b>Expenses</b> Rent	-	-	-	4.80	-	3.60	-	-	-	-	-	-	4.80	4.80
6	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	54.29	-	-	-	99.00	81.00
9	Diminution in Value of Investments	-	-	-	(1,064.14)	-	-	-	-	-	-	-	-	-	-
10	Real estate development expenses	65.08	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Trade receivables / advances written off	-	-	-	-	-	-	-	-	-	-	-	302.47	-	-
13	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Miscellaneous expenses	-	-	19.06	-	-	-	44.40	43.94	-	-	-	-	-	-
15	<b>Income</b> Rent and Other Service Charges	-	-	-	-	-	-	-	-	213.61	-	-	-	-	-
16	Interest Received	35.61	-	-	-	-	-	-	-	214.52	-	-	-	6.72	13.05
17	<b>Other Receipts</b> Other Reimbursements	-	-	-	-	-	-	-	-	18.23	-	-	-	-	80.77
															73.71

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**33. Related party disclosures (contd.)  
(c) The above Transactions include:**

S. No.	Nature of Transaction	₹ In Lakhs											
		C Alcons Infrastructure Ltd.	C Forvol International Services Ltd.	C Shapoorji Pallonji Oil & Gas Pvt. Ltd.	C Sterling and Wilson Pvt. Ltd.	D The Svadeshi Mills Company Ltd.	D Coromandel Garments Limited	D Neuvo Consultancy Service Ltd.	E Forbes Aquatech Ltd (Joint venture of Eureka Forbes Ltd.)	E Nypro Forbes Products Ltd.	F Managing Director, Mr. Ashok Barot		
1	<b>Purchases / Services</b> Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
2	<b>Sales / Services</b> Goods and Materials	-	-	-	1.87	-	-	-	2.17	-	-	-	-
3	Services Rendered	-	-	-	271.22	-	-	-	-	-	-	-	-
4	Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
5	<b>Expenses</b> Rent	-	131.51	-	-	-	-	-	-	-	-	-	-
6	Travelling and conveyance expenses	-	108.44	-	-	-	-	-	-	-	-	-	-
7	Legal and professional charges	-	-	-	-	-	99.23	-	-	-	-	-	-
8	Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-	-
9	Diminution in Value of Investments	-	-	-	-	-	-	-	-	-	-	-	-
10	Real estate development expenses	-	-	-	-	-	-	-	-	-	-	-	-
11	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-
12	Trade receivables / advances written off	-	-	-	-	-	-	-	-	-	-	-	-
13	Remuneration	-	-	-	-	-	-	-	-	444.23	-	-	142.72
14	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	129.67
15	<b>Income</b> Rent and Other Service Charges	59.40	-	-	-	-	-	-	-	-	-	-	-
16	Interest Received	45.08	-	-	-	-	-	-	-	90.18	-	-	-
17	<b>Other Receipts</b> Other Reimbursements	21.14	-	-	-	-	46.92	-	-	-	-	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

S. No.	Nature of Transaction	₹ In Lakhs													
		A Shapooji Palloni and Company Pvt. Ltd.	B Eureka Forbes Ltd.	B Forbes Facility Services Pvt. Ltd.	B Forbes Campbell Finance Ltd.	B Forbes Campbell Services Ltd.	B Forbes Technosys Ltd.	B Forbes Bumi Armada Offshore Ltd	B Forbes Container Lines Pte. Ltd.	B Campbell Properties & Hospitality Services Ltd.	B Volkart Fleming Shipping & Services Ltd.				
18	Finance Inter-corporate deposits given	-	-	-	-	-	1,000.00	-	302.47	-	-	-	-	-	-
19	Deposit Given	15.00	5.00	-	-	-	500.00	-	-	-	-	-	-	65.00	120.00
20	Repayment of Deposits Given	-	-	-	-	-	500.00	-	-	-	-	-	-	-	-
21	Investment in Subsidiaries	-	-	-	-	-	500.00	-	-	-	-	-	175.00	5.00	-
22	Redemption of Investment	-	-	-	170.00	-	-	-	-	-	-	-	-	-	-
23	Guarantees Given on behalf of a Subsidiary	-	-	-	-	-	5,000.00	-	-	-	-	-	-	-	-
24	Outstandings Trade Payables	95.74	-	-	-	-	105.27	-	40.70	-	-	-	-	-	-
25	Advances received from customer	4.03	-	-	-	-	105.27	-	600.72	-	-	-	-	-	-
26	Interest accrued	-	-	-	0.68	-	-	-	-	-	-	-	-	-	-
27	Trade Receivables	-	-	-	0.68	-	-	-	-	-	-	-	-	-	-
28	Long Term Loans and Advances	-	-	-	-	-	170.79	-	-	-	-	-	-	-	-
29	Short Term Loans and Advances	-	-	-	-	-	118.43	-	-	-	-	-	-	-	-
30	Provision for Doubtful Loans and Advances	-	-	-	-	-	488.88	-	-	-	-	-	-	-	-
31	Provision for Doubtful Trade Receivables	-	-	-	-	-	287.40	-	302.47	-	-	-	-	-	-
32	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Deposits Receivable	-	-	-	5.00	-	-	-	-	-	-	-	-	-	-
34	Inter-corporate deposits receivable	-	-	-	5.00	-	500.00	-	302.47	-	-	-	-	-	65.00
35	Guarantees Given	-	-	-	-	-	16,920.00	-	7,071.50	-	-	-	-	-	-
36	Guarantees Taken	3,308.87	-	-	-	-	16,920.00	-	8,904.50	-	-	-	-	-	-
		3,130.22	-	-	-	-	-	-	-	-	-	-	-	-	-

**Footnote:**  
Figures in italics are in respect of the previous year.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

S. No.	Nature of Transaction	₹ In Lakhs									
		C	C	C	C	D	D	E	E	E	F
		Alcons Infrastructure Ltd.	Forvol International Services Ltd.	Shapoorji Pallonji Oil & Gas Pvt. Ltd.	Sterling and Wilson Pvt. Ltd.	The Svadeshi Mills Company Ltd.	Coromandal Garments Limited	Neuvo Consultancy Service Ltd.	Forbes Aquatech Ltd (Joint venture of Eureka Forbes Ltd.)	Nypro Forbes Products Ltd.	Managing Director, Mr. Ashok Barot
18	Finance Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-
19	Deposit Given	-	-	-	-	-	-	-	-	-	-
20	Repayment of Deposits Given	-	-	-	-	-	-	14.50	-	976.16	-
21	Investment in Subsidiaries	-	-	-	-	-	-	-	-	-	-
22	Redemption of Investment	-	-	-	-	-	-	-	-	-	-
23	Guarantees Given on behalf of a Subsidiary	-	-	-	-	-	-	-	-	-	-
24	Outstandings Trade Payables	-	-	-	-	-	-	32.26	-	-	-
25	Advances received from customer	-	-	-	-	-	-	-	-	-	-
26	Interest accrued	-	-	-	-	-	-	-	-	-	-
27	Trade Receivables	-	-	316.15	-	-	-	-	-	-	-
28	Long Term Loans and Advances	-	-	-	-	4,391.78	-	-	-	-	-
29	Short Term Loans and Advances	-	-	-	-	-	-	-	-	-	-
30	Provision for Doubtful Loans and Advances	-	-	-	-	4,391.78	-	-	-	-	-
31	Provision for Doubtful Trade Receivables	-	-	7.81	-	20.15	-	-	-	-	-
32	Deposits Payable	-	-	48.25	-	-	-	-	-	-	-
33	Deposits Receivable	-	-	-	-	-	-	-	-	-	-
34	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-
35	Guarantees Given	-	-	-	-	-	-	-	-	-	-
36	Guarantees Taken	-	-	-	-	-	-	-	-	-	-

**Footnote:**  
Figures in italics are in respect of the previous year.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 34. Leases

## (a) Finance lease: Company as lessee

The Company has acquired Computer Hardware under finance lease for three years.

(i) The gross carrying amount and the accumulated depreciation at the balance sheet date are ₹ 64.68 Lakhs; (*Previous year: ₹ 120.38 Lakhs*) and ₹ 64.68 Lakhs; (*Previous year: ₹ 119.36 Lakhs*) respectively.

(ii) Depreciation recognised in the statement of profit and loss is ₹ 1.02 Lakhs; (*Previous year: ₹ 44.71 Lakhs*).

Future minimum aggregate lease payments (MLP) under finance leases together with the present value of future lease payments (PV of MLP), discounted at the interest rates implicit in the lease are as follows:

Period	As at 31st March, 2016		As at 31st March, 2015	
	MLP	PV of MLP	MLP	PV of MLP
Not later than one year	-	-	20.04	19.39
Later than one year but not later than five years	-	-	-	-
Later than five years	-	-	-	-
<b>TOTAL</b>	-	-	20.04	19.39
Less: Amounts representing finance charges	-	-	(0.65)	-
Present value of minimum lease payments	-	-	19.39	19.39

## (b) Operating lease: 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 three years. The details of the premises leased are as follows:

Asset:	Buildings (pro-rata, wherever applicable)	
	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs
Gross carrying amount	1,300.68	799.78
Less: Accumulated depreciation	613.12	385.51
Net carrying amount	687.56	414.27
Depreciation for the year	43.93	38.36

Future minimum lease receivable under non-cancellable operating leases is as follow:

Period	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs
Not later than one year	773.62	323.46
Later than one year but not later than five years	825.56	312.90
Later than five years	-	-
<b>TOTAL</b>	<b>1,599.18</b>	<b>636.36</b>

## 35. Earnings per equity share

Earnings per equity share is computed as under:

S. No.	Particulars	Remarks	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1.	(i) Profit / (Loss) for the year - Continuing operations (₹ In Lakhs)	A	956.40	(339.62)
	(ii) Profit / (Loss) for the year - Total operations (₹ In Lakhs)	B	221.69	(57.85)
2.	Weighted average number of equity shares outstanding during the year	C	1,28,98,616	1,28,98,616
3.	Earnings per equity share (Nominal value of share ₹ 10) - (Basic & Diluted) (₹ )			
	(i) Continuing operations	D=A/C	7.41	(2.63)
	(ii) Total operations	E=B/C	1.72	(0.45)

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 36. Deferred tax

The components of deferred tax liabilities and assets are as under:

Nature of Timing Difference	(Liabilities) / Assets As at 31st March, 2016 ₹ in Lakhs	(Liabilities) / Assets As at 31st March, 2015 ₹ in Lakhs
Related to fixed assets	(559.24)	(563.33)
Voluntary retirement scheme	25.05	39.10
Provisions for doubtful debts and advances	335.42	212.72
Provisions and liabilities to be allowed on payment basis	453.44	236.84
Unabsorbed depreciation	725.51	798.44
Carried forward losses	2,363.34	2,264.50
	<b>3,902.76</b>	<b>3,551.60</b>
Net deferred tax (restricted to the extent of deferred tax liability)	-	-

Deferred tax asset has been recognised in respect of unabsorbed depreciation and other items to the extent that future taxable income will be available from future reversal of deferred tax liability recognised at the balance sheet date and is restricted to the extent of such liabilities. As a prudent measure, the excess deferred tax asset (net) has not been recognised in the accounts as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 37. Discontinuing operations

In January 2016, the Board had granted its approval for sale of the Shipping & Logistics Services business comprising Container Freight Station (CFS) and Logistics on a slump sale basis.

The CFS division at Veshvi is yet to be transferred for which a definitive agreement is in place.

The Company has completed the slump sale of Mundra CFS in April, 2016. The Company has executed an Agreement to transfer assets dated April 18, 2016 pertaining to its Logistics business and simultaneously completed the transaction.

The following table summarises the financial information relating to discontinuing operation of "Shipping & Logistics" segment in accordance with the Accounting Standard (AS)-24 on "Discontinuing Operations".

₹ In Lakhs

Particulars	Continuing Operations		Discontinuing Operations		Total Operations	
			Shipping & Logistics			
	Year ended 31st March	Year ended 31st March	Year ended 31st March	Year ended 31st March	Year ended 31st March	Year ended 31st March
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Non-current assets	26,845.94	25,459.46	349.51	4,320.23	27,195.45	29,779.69
Current assets	12,050.04	9,492.80	4,129.91	874.12	16,179.95	10,366.92
<b>Total assets</b>	<b>38,895.98</b>	<b>34,952.26</b>	<b>4,479.42</b>	<b>5,194.35</b>	<b>43,375.41</b>	<b>40,146.61</b>
<b>Liabilities</b>						
Non-current liabilities	9,574.26	9,895.85	-	57.32	9,574.26	9,953.17
Current liabilities	19,101.52	14,578.13	953.25	2,090.63	20,054.77	16,668.76
<b>Total liabilities</b>	<b>28,675.78</b>	<b>24,473.98</b>	<b>953.25</b>	<b>2,147.95</b>	<b>29,629.03</b>	<b>26,621.93</b>
<b>Revenue and expenses</b>						
<b>Revenue</b>						
Revenue from operations	18,155.88	16,317.51	7,093.64	12,420.14	25,249.52	28,737.65
Other income	811.85	588.89	44.82	14.43	856.67	603.32
<b>Total revenue</b>	<b>18,967.73</b>	<b>16,906.40</b>	<b>7,138.46</b>	<b>12,434.57</b>	<b>26,106.19</b>	<b>29,340.97</b>
<b>Expenses</b>						
Cost of materials consumed	7,031.61	6,054.34	-	-	7,031.61	6,054.34
Purchases of stock-in-trade	12.62	122.13	-	-	12.62	122.13
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(564.63)	(765.98)	-	-	(564.63)	(765.98)
Employee benefits expense	3,831.32	3,746.25	1,039.35	958.02	4,870.67	4,704.27
Finance costs	1,885.41	1,878.92	12.37	0.08	1,897.78	1,879.00
Depreciation and amortisation expense	497.76	334.58	336.91	380.37	834.67	714.95
Other expenses	6,870.08	6,859.36	6,531.52	10,814.33	13,401.60	17,673.69
<b>Total expenses</b>	<b>19,564.17</b>	<b>18,229.60</b>	<b>7,920.15</b>	<b>12,152.80</b>	<b>27,484.32</b>	<b>30,382.40</b>
<b>Profit / (Loss) before exceptional items and tax</b>	<b>(596.44)</b>	<b>(1,323.20)</b>	<b>(781.69)</b>	<b>281.77</b>	<b>(1,378.13)</b>	<b>(1,041.43)</b>
Income on settlement of dues	652.05	-	46.98	-	699.03	-
Arrears of Rental Income	1,172.05	-	-	-	1,172.05	-
Termination benefits and one time settlement with employees	-	(80.57)	-	-	-	(80.57)
(Provision)/Reversal for diminution in the value of investments	(271.26)	1,064.15	-	-	(271.26)	1,064.15
Profit / (Loss) before tax	956.40	(339.62)	(734.71)	281.77	221.69	(57.85)
Tax expense / (credit)	-	-	-	-	-	-
Profit / (loss) after tax	956.40	(339.62)	(734.71)	281.77	221.69	(57.85)
<b>Cash Flow</b>						
Cash flows from / (used in) operating activities	4,764.65	(2,956.87)	(1,377.67)	1,057.13	3,386.98	(1,899.74)
Cash flows from / (used in) investing activities	(2,176.67)	1,026.12	(39.19)	(17.21)	(2,215.86)	1,008.91
Cash flows from / (used in) financing activities	(1,801.44)	1,786.26	1,394.58	(1,222.26)	(406.86)	564.00

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 38. Disclosure relating to jointly controlled entity

The Company's share of the assets, liabilities, contingent liabilities, capital and other commitments, income and expenses of the jointly controlled entity is as given below:

Name of company	Country of incorporation	Percentage of shareholding %	As at 31st March, 2016				For the year ended 31st March, 2016	
			Assets	Liabilities	Contingent liabilities	Capital and other commitments	Income	Expenditure
			₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Edumetry Inc.	United States of America	-	-	-	-	-	-	
		<i>50</i>	-	<i>398.11</i>	-	-	<i>5.57</i>	

Figures in italics relate to the previous year.

### 39. Derivative instruments and unhedged foreign currency exposures

The Company enters into Foreign Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

A) The following are the outstanding Forward Exchange Contracts entered into by the Company as at 31st March, 2016

	Currency	Buy/Sell	Cross Currency	As at 31st March, 2016		As at 31st March, 2015	
				₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
Buyers Credit	US Dollar	Buy	₹	498.11	USD 7.53	-	-
Interest Payable on Buyers Credit	US Dollar	Buy	₹	2.14	USD 0.03	-	-

B) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

	As at 31st March, 2016		As at 31st March, 2015	
	₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
a) Trade receivables	274.12	USD 4.14	348.74	USD 5.57
	89.93	GBP 0.95	81.25	GBP 0.87
	-	-	5.42	EUR 0.08
b) Trade payables	295.91	USD 4.47	390.25	USD 6.23
	17.88	EUR 0.24	0.61	EUR 0.01
	-	-	1.80	CHF 0.03
	4.44	AUD 0.09	-	-
	-	-	-	-
c) <u>Short-term Borrowings</u>				
Buyers Credit	162.04	USD 2.45	301.95	USD 4.82
<u>Interest Payable</u>				
Buyer's Credit	0.14	USD 0.00	0.08	USD 0.00
d) Advances given for import of goods	3.31	USD 0.05	-	-
	10.72	EUR 0.14	3.74	EUR 0.06
e) Advances received from customers	16.27	USD 0.25	13.78	USD 0.22
	11.90	GBP 0.13	6.97	GBP 0.08
	-	-	7.31	EUR 0.11

Footnote:

FC Foreign Currency  
CHF Swiss Franc

USD United States Dollar  
EUR Euro

GBP Great British Pound

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 40. Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

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:-

Particulars	31st March, 2016 ₹ in Lakhs	31st March, 2015 ₹ in Lakhs
a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	194.52	188.11
b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	3.76	1.89
c) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d) The amount of interest due and payable for the year	26.82	18.11
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	71.01	44.19
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	44.19	26.08

## 41A. Details of provision for disputed statutory demands

The Company has made provision for disputed statutory liabilities on the basis of its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	31st March, 2016 ₹ in Lakhs	31st March, 2015 ₹ in Lakhs
Balance as at the beginning of the year	220.00	120.00
Add: Provision made during the year	505.00	100.00
Less: Utilisation / Reversal	-	-
	<u>725.00</u>	<u>220.00</u>

## 41B. Details of provision for estimated losses on onerous contracts

The Company has made provision for obligations relating to onerous contracts on the basis of its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Particulars	31st March, 2016 ₹ in Lakhs	31st March, 2015 ₹ in Lakhs
Balance as at the beginning of the year	274.00	324.50
Add: Provisions made during the year	-	-
Less: Utilisation during the year	91.96	-
Less: Reversal	21.04	50.50
	<u>161.00</u>	<u>274.00</u>

## 42. A. Details of raw materials and components consumed:

Particulars	Year ended 31st March, 2016 ₹ in Lakhs	Year ended 31st March, 2015 ₹ in Lakhs
Steel bars	1,350.96	1,182.71
Wire rods	785.09	899.84
Carbide blanks	1,461.79	1,232.50
HSS blanks	358.96	325.78
Various components for Steam Turbine	1,795.33	1,105.88
Others	1,279.48	1,307.63
<b>TOTAL</b>	<u>7,031.61</u>	<u>6,054.34</u>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**B. Details of Purchases of stock-in-trade (traded goods):**

<b>Particulars</b>	<b>Year ended 31st March, 2016 ₹ in Lakhs</b>	<i>Year ended 31st March, 2015 ₹ in Lakhs</i>
Steam turbines	-	86.78
Components and accessories	7.81	3.33
Automated impact markers	2.68	8.64
Other traded tools instruments	2.13	23.38
<b>TOTAL</b>	<b>12.62</b>	<i>122.13</i>

**43. Information for each class of goods manufactured and traded during the year**

<b>Product</b>	<b>Opening stock 1st April, 2015</b>	<b>Closing stock 31st March, 2016</b>	<b>Sales 31st March, 2016</b>
<b>₹ in Lakhs</b>			
<b>A. Manufactured goods</b>			
1. Threading tools	<b>290.31</b> <i>(292.27)</i>	<b>371.88</b> <i>(290.31)</i>	<b>7,451.08</b> <i>(7,314.49)</i>
2. Carbide tools	<b>95.67</b> <i>(166.27)</i>	<b>153.23</b> <i>(95.67)</i>	<b>3,846.47</b> <i>(3,277.88)</i>
3. Spring washers	<b>31.49</b> <i>(45.43)</i>	<b>37.39</b> <i>(31.49)</i>	<b>1,746.71</b> <i>(1,778.12)</i>
4. Steam turbines	<b>2.34</b> -	<b>2.34</b> <i>(2.34)</i>	<b>2,998.54</b> <i>(2,065.32)</i>
5. Printing and embossing machines:			
a) Conventional marking system	<b>2.00</b> <i>(4.69)</i>	<b>0.19</b> <i>(2.00)</i>	<b>36.19</b> <i>(39.67)</i>
b) Automated marking system	<b>62.17</b> <i>(101.10)</i>	<b>78.53</b> <i>(62.17)</i>	<b>1,086.54</b> <i>(1,011.22)</i>
6. Precision interchangeable steel types sets along with rotary wheels, holding devices and fixtures for composite metal indentation	<b>24.06</b> <i>(33.48)</i>	<b>37.14</b> <i>(24.06)</i>	<b>591.13</b> <i>(535.42)</i>
7. Cutting tools	<b>39.17</b> <i>(17.40)</i>	<b>21.25</b> <i>(39.17)</i>	<b>279.21</b> <i>(263.68)</i>
8. High Tensil Fastners	<b>5.74</b> <i>(29.00)</i>	<b>2.83</b> <i>(5.74)</i>	<b>9.40</b> <i>(43.33)</i>
9. Components and accessories	<b>20.31</b> <i>(38.56)</i>	<b>21.11</b> <i>(20.31)</i>	<b>315.31</b> <i>(279.22)</i>
	<b>573.26</b> <i>(728.19)</i>	<b>725.89</b> <i>(573.26)</i>	<b>18,360.58</b> <i>(16,608.35)</i>
<b>B. Traded goods</b>			
1. Cutting tools	-	-	-
	<i>(0.08)</i>	-	-
2. Steam turbines	-	-	-
	-	-	<i>(161.11)</i>
3. Components and accessories	-	0.22	12.25
	<i>(0.93)</i>	-	<i>(5.63)</i>
4. Automated impact markers	-	3.28	3.70
	<i>(2.49)</i>	-	<i>(16.59)</i>
5. Other traded tools instruments	<b>2.19</b> <i>(0.51)</i>	<b>0.03</b> <i>(2.19)</i>	<b>1.66</b> <i>(18.80)</i>
	<b>2.19</b> <i>(4.01)</i>	<b>3.53</b> <i>(2.19)</i>	<b>17.61</b> <i>(202.13)</i>
<b>TOTAL (A + B)</b>	<b>575.45</b> <i>(732.20)</i>	<b>729.42</b> <i>(575.45)</i>	<b>18,378.19</b> <i>(16,810.48)</i>

Footnote:

Figures in brackets and italics are in respect of the previous year.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## 44. Information for each class of work-in-progress

Product	Opening stock 1st April, 2015	Closing stock 31st March, 2016
1. Threading Tools	<b>341.14</b> <i>(280.90)</i>	<b>244.15</b> <i>(341.14)</i>
2. Carbide Tools	<b>58.08</b> <i>(65.51)</i>	<b>89.27</b> <i>(58.08)</i>
3. Spring Washers	<b>31.29</b> <i>(19.94)</i>	<b>26.60</b> <i>(31.29)</i>
4. Precision interchangeable steel types sets alongwith rotary wheels, holding devices and fixtures for composite metal indentation.	<b>0.01</b> <i>(6.73)</i>	<b>0.01</b> <i>(0.01)</i>
5. Automated impact markers	- <i>(0.21)</i>	- <i>-</i>
6. High Tensil Fastners	- <i>(0.01)</i>	- <i>-</i>
<b>TOTAL</b>	<b>430.52</b> <i>(373.30)</i>	<b>360.03</b> <i>(430.52)</i>

**Footnote:**

Figures in brackets and italics are in respect of the previous year.

## 45. Value of imports calculated on C.I.F. basis (excluding value of items locally purchased):

	Year ended 31st March, 2016 ₹ in Lakhs	Year ended 31st March, 2015 ₹ in Lakhs
(a) Raw materials	<b>1,879.47</b>	<i>1,455.19</i>
(b) Components	<b>1,205.91</b>	<i>1,207.43</i>
(c) Stores, spares and tools	<b>79.00</b>	<i>58.95</i>
(d) Capital goods	<b>38.06</b>	<i>-</i>
(e) Purchases for resale	<b>5.00</b>	<i>128.72</i>
<b>TOTAL</b>	<b>3,207.44</b>	<i>2,850.29</i>

## 46. Expenditure in foreign currencies:

(a) Commission to overseas agents	<b>30.65</b>	<i>30.59</i>
(b) Foreign travel	<b>55.59</b>	<i>36.96</i>
(c) Others	<b>51.82</b>	<i>43.99</i>
<b>TOTAL</b>	<b>138.06</b>	<i>111.54</i>

## 47. Earnings in foreign exchange:

(a) Export of goods calculated on F.O.B. basis	<b>1,812.51</b>	<i>1,846.86</i>
(b) Commission and other services	<b>153.37</b>	<i>88.49</i>
(c) Freight and insurance recoveries	<b>21.63</b>	<i>24.92</i>
<b>TOTAL</b>	<b>1,987.51</b>	<i>1,960.27</i>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 48. Imported and indigenous raw materials & components and stores, spares & tools consumed:

	For the year ended 31st March, 2016		For the year ended 31st March, 2015	
	% to Total Consumption	Value ₹ in Lakhs	% to Total Consumption	Value ₹ in Lakhs
<b>(a) Raw materials and components</b>				
Direct Imports at landed cost	40	2,777.76	47	2,869.62
Indigenous - Including value of imported items locally purchased	60	4,253.86	53	3,184.72
<b>TOTAL</b>	<b>100</b>	<b>7,031.61</b>	<b>100</b>	<b>6,054.34</b>
<b>(b) Stores, spares and tools</b>				
Direct Imports at landed cost	10	84.53	11	91.40
Indigenous - Including value of imported items locally purchased	90	725.00	89	767.16
<b>TOTAL</b>	<b>100</b>	<b>809.53</b>	<b>100</b>	<b>858.56</b>

### 49. Additional disclosure as required by Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

S. No.	Name	₹ in Lakhs		
		Balance as at 31st March, 2016	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st March, 2016
Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:				
1.	Svadeshi Mills Company Limited - Associate Company (carrying no interest)	★ <i>4,391.78</i>	<i>4,391.78</i>	-
2.	Coromandel Garments Limited - Associate Company (carrying no interest)	★ <i>364.99</i>	<i>364.99</i>	-
3.	Forbes Edumetry Limited - Subsidiary (carrying no interest)	★ -	<i>0.52</i>	-
4.	Edumetry INC - Joint Venture (carrying no interest)	★ <i>72.53</i>	<i>72.53</i>	-
5.	Forbes Technosys Limited - Subsidiary	500.00	1,000.00	-
6.	Forbes Container Lines Pte. Limited - Subsidiary (carrying no interest)	★ <i>302.47</i>	<i>302.47</i>	-

Note: ★ Provided as doubtful

@ Not considered as associate based on status in the Court (see Note 55).

The above excludes loans to employees.

Figures in italics are in respect of the previous years.

50. Secured Loans and advances include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2016 (*Previous year: ₹ 4,716.78 Lakhs*) granted to The Svadeshi Mills Company Limited (*Previous year include its subsidiary Coromandel Garments 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.

51. In respect of loans given to Coromandel Garments Limited, The Company had made full provision amounting to ₹ 364.99 lakhs in an earlier year and had also stopped accruing interest thereon due to uncertainty as to recoverability of loans and interest, in view of ongoing liquidation process of Coromandel Garments Limited.

Subsequent to the year end, on the basis of order passed by Hon'ble High Court, Mumbai, the Company has received ₹ 1,017.04 lakhs from Hon'ble Debt Recovery Tribunal, Mumbai as part satisfaction of amount due. The amount received by the Company is after setting aside amount for securing the claim

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

of the workmen of the company in liquidation. The company's status as a secured creditor is not disputed by the official liquidator.

Considering the above, management is of the view that possibility of amount becoming refundable upon final outcome of this matter is remote. The Company has therefore reversed the provision amounting to ₹ 364.99 lakhs towards the loans and advances and accounted the balance amount of ₹652.05 lakhs as interest income. This has been disclosed as an exceptional item at Note no. 28 to the statement of profit and loss account of the Company.

## 52. Details of costs and revenue in respect of Project in progress:

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.

	2015-16	₹ In Lakhs 2014-15
Project revenue recognised during the year	-	-
Aggregate of Project costs incurred upto the reporting date	1,524.45	1,043.30
Profit recognised upto the reporting date	-	-
Advance received for projects in progress as at the reporting date (net of revenue recognised)	1,984.84	-
Amount of work-in-progress and the value of inventories as at the reporting date	1,524.45	1,043.30
Unbilled Revenue	-	-

(Unbilled revenue represents future instalments receivables from customers based on revenue recognised till balance sheet date)

## 53. 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
<b>A Investments made (refer Note 13)</b>					
<b>B Loans given</b>					
1 Svadeshi Mills Company Limited	-	4,391.78 *	N.A.	N.A.	General corporate purpose
	-	4,391.78 *	N.A.	N.A.	
2 Coromandel Garments Limited	-	364.99	N.A.	N.A.	General corporate purpose
	-	364.99 *	N.A.	N.A.	
3 Edumetry Inc. USA	-	72.53 *	N.A.	N.A.	General corporate purpose
	-	72.03 *	N.A.	N.A.	
4 Volkart Fleming Shipping & Services Limited	-	-	-	-	-
		65.00	On Demand	12%	General corporate purpose
5 Forbes Technosys Limited	1000.00	500.00	On Demand	12%	General corporate purpose
6 Forbes Container Line Pte Limited	302.47	302.47 *	On Demand	12%	General corporate purpose
<b>C Guarantees given</b>					
1 Forbes Bumi Armada Offshore Limited	-	2,961.44 @	N.A.	N.A.	N.A.
	-	2,801.55 @	N.A.	N.A.	N.A.
2 Forbes Technosys Limited	-	4,420.00	Continuing	N.A.	Working Capital
	-	4,420.00	Continuing	N.A.	
	-	12,500.00	3 years	N.A.	General corporate purpose
	5,000.00	12,500.00	3 years	N.A.	

**Note:**

\* Provided as doubtful

@ Guarantee given \$ 44,75,000 (Previous year \$ 44,75,000). The difference in Indian Rupees is on account of foreign exchange fluctuations. Figures in italics are in respect of the previous years.

54. The Management is in the process of identifying and appointing a Chief Financial Officer as required under Section 203 of the Companies Act, 2013.
55. Assets of The Svadeshi Mills Company Limited (Svadeshi) continued to be in the hands of the Official Liquidator, High Court, Bombay. An application to get Svadeshi out of liquidation was filed with the Hon'ble High Court, Bombay, which was dismissed and the Official Liquidator was directed to proceed expeditiously for winding up of Svadeshi. The Company filed an appeal before the Division Bench which was dismissed. The Company filed a Special Leave Petition (SLP) before Hon'ble Supreme Court (SC) which too was dismissed. Thereafter, a Review Petition has been filed before the Hon'ble Supreme Court and the same is pending hearing. The records of the Svadeshi are in the custody of the Official Liquidator. In view of the current status of the court matter, management has not considered Svadeshi as an associate from the current year.
56. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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	SHAPOOR P. MISTRY	<i>Chairman</i>
	MAHESH C. TAHILYANI	<i>Managing Director</i>
	S.L. GOKLANEY	} <i>Directors</i>
	KAIWAN D. KALYANIWALLA	
	D. SIVANANDHAN	
	JIMMY J. PARAKH	
PANKAJ KHATTAR	JAI L. MAVANI	
<i>Company Secretary</i>		

*Mumbai, 30th May, 2016*

**CONSOLIDATED FINANCIAL STATEMENTS**

**FORMING PART OF ANNUAL REPORT OF**

**FORBES & COMPANY LIMITED FOR THE**

**YEAR ENDED 31ST MARCH, 2016**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORBES & COMPANY LIMITED**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of **FORBES & COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### **Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group including its associates and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the

consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us 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 qualified audit opinion on the consolidated financial statements.

### **Basis for Qualified Opinion**

Attention is invited to Note 42 to the Statement, regarding an overseas subsidiary, namely, Forbes Lux FZCO, where the consolidated financial statements have been audited by other auditors, the other auditors have qualified their opinion stating that although trade receivables amounting to ₹ 14,725.08 lakhs and loans and advances amounting to ₹ 3,737.74 lakhs are unsecured and outstanding for a period ranging from 2006 to 2015, the management has considered the balance as good and recoverable and no provision is considered necessary by the management. The other auditors are unable to verify the recoverability of the amounts based on the audit procedures performed.

### **Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by 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 jointly controlled entities as at March 31, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

### **Emphasis of Matter**

- (a) Attention is invited to Note 31(c) to the consolidated financial statements, in respect of one subsidiary group, namely, Eureka Forbes Limited Group, where the consolidated financial statements have been audited by other auditors, the auditors have drawn emphasis of matter in their report, regarding the uncertainty related to the outcome of the lawsuit filed against the subsidiary namely, Eureka Forbes Limited by IBM India Private Limited.
- (b) Attention is invited to Note 31(j) and Note 48 respectively, to the consolidated financial statements, in respect of a subsidiary group, namely, Forbes Container Line Pte Limited Group, where the consolidated financial statements have been audited by other auditors, the auditors have drawn an emphasis of matter in their report
  - (i) regarding the uncertainty related to the litigation proceedings in respect of the default on the lease purchase agreements with third party.
  - (ii) regarding the financial statements of the said Group being prepared on a realization basis for the reasons stated therein.



Our opinion is not modified in respect of these matters.

#### Other Matters

We did not audit the financial statements of 34 subsidiaries, and 8 jointly controlled entities, whose financial statements reflect total assets of ₹ 241,093.15 lakhs as at March 31, 2016 total revenues of ₹ 325,243.91 lakhs and net cash outflows amounting to ₹ 72.92 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 net loss of ₹ Nil lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of 2 associates, 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, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, is based solely on the reports of the 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 matter with respect to our reliance on the work done and the reports of the other auditors.

#### Report on Other Legal and Regulatory Requirements

1. We draw attention to Note 56 to the consolidated financial statements relating to loans given to The Svadeshi Mills Company Limited, aggregating ₹ 4,391.78 lakhs in respect of which full provision has been made, arising inter alia from our enquiry under Section 143(1)(a) of the Act.
2. 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, except for the possible effect of the matters described in the Basis for Qualified Opinion paragraph above, 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, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditor's reports of the Holding Company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding Company's / subsidiary company's/associate company's/jointly controlled company's incorporated in India, internal financial controls over financial reporting.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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 of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Note 31 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 – Refer Note 33 to the consolidated financial statements.
  - 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 jointly controlled companies incorporated in India.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Nilesh Shah**  
Partner  
(Membership No.49660)

MUMBAI, May 30, 2016

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Forbes & Company Limited on the consolidated financial statements for the year ended March 31, 2016)

### Report on the Internal Financial Controls Over Financial Reporting under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

1. We have audited the internal financial controls over financial reporting of FORBES & COMPANY LIMITED (hereinafter referred to as “the Holding Company”), its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India, as of March 31, 2016 in conjunction with our audit of the consolidated financial statements of the Holding Company for the year then ended.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) 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 internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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, based on the consideration of our comments in paragraph 2 above, the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, associate companies and joint controlled companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the aforesaid entities.

### Meaning of Internal Financial Controls Over Financial Reporting

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

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, and taking into consideration the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies, its associate companies and its jointly controlled companies, which are companies incorporated in India, and read with our comment in paragraph 10 below, have, in all material respects, an adequate

internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to 13 subsidiary companies, 1 associate and 6 jointly controlled

companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Nilesh Shah**

Partner

(Membership No.49660)

MUMBAI, May 30, 2016

## CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	₹ in Lakhs	As at	As at
			31st March, 2016	31st March, 2015
			₹ in Lakhs	₹ in Lakhs
<b>I EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a) Share capital	3	1,273.22		1,273.22
(b) Reserves and surplus	4	36,246.37		43,058.76
			37,519.59	44,331.98
<b>2 Minority interest</b>			6,547.50	6,069.96
<b>3 Preference shares issued by subsidiary companies outside the Group</b>	41		11,262.66	11,207.57
<b>4 Non-current liabilities</b>				
(a) Long-term borrowings	5	70,696.78		77,130.80
(b) Deferred tax liabilities (net)	39 (a)	981.80		661.17
(c) Other long-term liabilities	6	17,872.61		17,465.96
(d) Long-term provisions	7	1,526.93		2,824.15
			91,078.12	98,082.08
<b>5 Current liabilities</b>				
(a) Short-term borrowings	8	24,002.56		16,364.65
(b) Trade payables	9			
(i) Total outstanding dues of micro enterprises and small enterprises; and		2,149.41		3,593.27
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		62,448.59		50,135.48
(c) Other current liabilities	10	50,891.66		47,476.45
(d) Short-term provisions	11	5,779.69		4,501.10
			145,271.91	122,070.95
<b>TOTAL</b>			<b>291,679.78</b>	<b>281,762.54</b>
<b>II ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Fixed assets				
(i) Tangible assets	12A	55,286.77		62,065.09
(ii) Intangible assets	12B	3,112.14		2,298.95
(iii) Capital work-in-progress		563.88		88.91
(iv) Intangible assets under development		6,706.64		5,033.14
		65,669.43		69,486.09
(b) Goodwill on consolidation		45,465.21		49,610.41
(c) Non-current investments	13	557.60		304.60
(d) Deferred tax assets (net)	39(b)	2,130.97		2,062.72
(e) Long-term loans and advances	14	18,441.26		16,714.47
(f) Other non-current assets	15	20,508.48		16,594.70
			152,772.95	154,772.99
<b>2 Current assets</b>				
(a) Current investments	16	232.54		2,342.07
(b) Inventories	17	36,825.77		33,820.19
(c) Trade receivables	18	62,254.09		58,630.95
(d) Cash and cash equivalents	19	18,846.78		18,666.76
(e) Short-term loans and advances	20	9,953.03		8,372.00
(f) Other current assets	21	10,794.62		5,157.58
			138,906.83	126,989.55
<b>TOTAL</b>			<b>291,679.78</b>	<b>281,762.54</b>

See accompanying notes forming part of the consolidated financial statements 1 to 58

In terms of our report attached  
**For DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**NILESH SHAH**

Partner

Mumbai, 30th May, 2016

**PANKAJ KHATTAR**

Company Secretary

SHAPOOR P. MISTRY  
MAHESH C. TAHILYANI

Chairman  
Managing Director

S.L. GOKLANEY  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI

Directors

Mumbai, 30th May, 2016

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Note No.	₹ in Lakhs	Year ended	Year ended
			31st March, 2016	31st March, 2015
			₹ in Lakhs	₹ in Lakhs
<b>I</b> Revenue from operations (gross)	22	383,281.10		357,564.58
Less: Excise duty		3,161.45		2,959.07
Revenue from operations (net)			380,119.65	354,605.51
<b>II</b> Other income	23		5,145.53	5,735.85
<b>III Total revenue (I + II)</b>			385,265.18	360,341.36
<b>IV Expenses:</b>				
Cost of materials consumed	24	72,499.68		65,463.60
Purchases of stock-in-trade (traded goods)		61,609.72		53,763.40
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(2,328.93)		1,734.93
Employee benefits expense	26	70,583.72		61,729.16
Finance costs	27	9,790.95		9,119.58
Depreciation and amortisation expense	28	7,538.35		2,161.98
Other expenses	29	162,749.73		157,281.11
<b>Total expenses</b>			382,443.22	351,253.76
<b>V Profit before exceptional items and tax (III - IV)</b>			2,821.96	9,087.60
<b>VI</b> Exceptional items - (Expense)	30		(2,090.35)	(1,009.89)
<b>VII Profit before tax (V + VI)</b>			731.61	8,077.71
<b>VIII Tax expense / (benefit):</b>				
(a) Current tax expense		3,643.39		3,976.75
(b) Less: MAT credit entitlement		(2.48)		(154.11)
(c) Short provision for current tax relating to prior years (Net)		283.51		409.92
(d) Net current tax expense		3,924.42		4,232.56
(e) Deferred tax		39.93		140.61
			3,964.35	4,373.17
<b>IX (Loss)/Profit after tax, before share of profit of associates and minority interest (VII - VIII)</b>			(3,232.74)	3,704.54
<b>X</b> Share in profit of associates			-	-
<b>XI</b> Share of (profit) attributable to the minority interest			(557.20)	(457.83)
<b>XII (Loss)/Profit for the year attributable to the shareholders of the company (IX - X - XI)</b>			(3,789.94)	3,246.71
<b>XIII Earning per equity share:</b>	38			
Basic and diluted earnings per equity share (nominal value of share ₹ 10)			₹ (30.47)	₹ 24.65

See accompanying notes forming part of the consolidated financial statements 1 to 58

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**NILESH SHAH**

Partner

Mumbai, 30th May, 2016

**PANKAJ KHATTAR**

Company Secretary

SHAPOOR P. MISTRY  
MAHESH C. TAHILYANI

S.L. GOKLANEY  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI

Mumbai, 30th May, 2016

Chairman  
Managing Director

Directors

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016 (₹ in Lakhs)	Year ended 31st March, 2015 (₹ in Lakhs)
<b>Profit before tax</b>	<b>731.61</b>	<b>8,077.71</b>
<b>Adjustments for -</b>		
Depreciation and amortisation expense	7,538.35	2,161.98
Provision for estimated losses on onerous contracts	39.71	-
Provision for Diminution in Value of Land	-	10.21
Net gain on sale of investments	(19.69)	(239.40)
Interest income		
-Long term investments	(3.21)	(1.98)
-Bank Deposits	(132.89)	(394.61)
-Inter-corporate deposits	(61.98)	(58.07)
Finance costs	9,790.95	9,119.58
Dividend income		
-Long term investments	(0.06)	(0.06)
- Current investments	(143.08)	(156.79)
(Profit) on sale / write off of assets	(233.27)	(115.22)
Provision for doubtful trade receivables / loans and advances	190.44	934.96
Bad trade receivables / advances written off	1,451.40	1,566.03
Credit balances / excess provision written back	(1,215.17)	(317.83)
Provision for diminution in the value of investments (net)	2.86	(0.03)
Unrealised exchange loss / (gain) (net)	170.31	(303.45)
Pension Liabilities written back	-	(1,417.76)
<u>Exceptional items</u>		
- Interest on dues from part settlement of Coromandel Garments Limited, a company under liquidation	(652.05)	-
- Impairment of goodwill on consolidation	4,145.20	1,159.23
- Gain on cessation of joint venture interest in a jointly controlled entity	(183.78)	(167.23)
- Gain on Cessation of Subsidiary	-	(62.68)
	<b>20,684.04</b>	<b>11,716.88</b>
<b>Operating profit before working capital changes</b>	<b>21,415.65</b>	<b>19,794.59</b>
<b>Changes in working capital:</b>		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Inventories	(3,401.49)	3,170.27
Trade receivables	(6,024.08)	(4,976.81)
Short-term loans and advances	(1,620.08)	1,370.54
Long-term loans and advances	(4,998.25)	802.94
Other current assets	(1,079.54)	(3,897.21)
Other non current assets	(3,411.10)	(775.04)
	<b>(20,534.54)</b>	<b>(4,305.31)</b>
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	12,035.12	109.01
Other current liabilities	313.13	317.71
Other Long term liabilities	406.66	4,720.94
Short-term provisions	803.12	1,067.89
Long-term provisions	(1,195.11)	(7,627.48)
	<b>12,362.92</b>	<b>(1,411.93)</b>
	<b>(8,171.62)</b>	<b>(5,717.24)</b>
<b>Cash generated from operations</b>	<b>13,244.03</b>	<b>14,077.35</b>
Income taxes paid (net of refunds)	<b>(5,760.64)</b>	<b>(4,278.84)</b>
<b>(a) Net cash flow from operating activities</b>	<b>7,483.39</b>	<b>9,798.51</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

	Year ended 31st March, 2016 (₹ in Lakhs)	Year ended 31st March, 2015 (₹ in Lakhs)
<b>Cash flows from investing activities:</b>		
Capital expenditure on fixed assets including capital advances	(9,026.11)	(18,091.63)
Proceeds from sale of fixed assets	1,073.73	12,022.95
Purchase of non-current investments	(253.64)	(287.13)
Acquisition of additional stake in subsidiaries	(32.45)	-
Purchase of current investments	(20,444.97)	(31,979.39)
Proceeds from sale of current Investments	22,645.40	30,844.99
Proceeds from sale of non - current Investments	50.00	248.90
Inter-corporate deposits (net)	5,227.12	691.08
Bank balances not considered as cash and cash equivalents matured	106.23	41.04
Bank balances not considered as cash and cash equivalents placed	(395.42)	(968.53)
Interest received	(186.65)	767.62
Dividend received	69.69	156.85
<b>(b) Net cash flow used in investing activities</b>	<b>(793.77)</b>	<b>(6,553.25)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	18,346.72	16,296.71
Proceeds from short-term borrowings	24,495.59	42,817.48
Repayment of long-term borrowings	(22,628.90)	(15,371.26)
Repayment of short-term borrowings	(16,786.36)	(41,576.92)
Finance costs	(9,469.80)	(9,611.98)
Proceeds from minority shareholders on issue of shares by subsidiary	-	28.50
Dividend paid including taxes	(335.91)	(609.54)
<b>(c) Net cash flow used in financing activities</b>	<b>(6,378.66)</b>	<b>(8,027.01)</b>
<b>(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>	<b>310.96</b>	<b>(4,781.75)</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>17,236.53</b>	<b>20,599.30</b>
<b>(f) Effect of exchange differences on restatement of foreign currency cash and cash equivalents</b>	<b>(30.09)</b>	<b>33.35</b>
<b>(g) Cash and bank balance on acquisition/disposal of subsidiaries/joint venture</b>	<b>(8.84)</b>	<b>1,385.63</b>
<b>(h) Cash and cash equivalents as at the end of the year (d + e + f + g)</b>	<b>17,508.56</b>	<b>17,236.53</b>

## Footnote :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statements".
- The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

## See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**NILESH SHAH**  
Partner  
Mumbai, 30th May, 2016

**PANKAJ KHATTAR**  
Company Secretary

SHAPOOR P. MISTRY  
MAHESH C. TAHILYANI

S.L. GOKLANEY  
KAIWAN D. KALYANIWALLA  
D. SIVANANDHAN  
JIMMY J. PARAKH  
JAI L. MAVANI  
Mumbai, 30th May, 2016

Chairman  
Managing Director

Directors

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 1. CORPORATE INFORMATION

Forbes & Company Limited 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.

### 2. SIGNIFICANT ACCOUNTING POLICIES:

#### A. BASIS OF ACCOUNTING AND USE OF ESTIMATES

##### (i) Basis of accounting and preparation of consolidated financial statements

The Consolidated financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 (the "2013 Act") read with relevant rules and provisions of the 2013 Act. The Consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the Consolidated financial statements are consistent with those followed in the previous year.

##### (ii) Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

#### B. PRINCIPLES OF CONSOLIDATION

- (i) The Consolidated Financial Statements relate to Forbes and Company Limited (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute the "Group") which have been prepared in accordance with the Accounting Standards on Consolidated Financial Statements (AS) 21 and Financial Reporting of Interests in Joint Ventures (AS) 27 specified under section 133 of the Companies Act, 2013. Further the Consolidated Financial Statements include investments in associates accounted for using equity method in accordance with the Accounting Standard on Accounting for Investments in Associates in Consolidated Financial Statements (AS) 23 specified under section 133 the Companies Act, 2013.
- (ii) The financial statements of the Company and its subsidiaries have been consolidated on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and resulting unrealized profits or losses. Interests in joint ventures are aggregated in the consolidated financial statements by using the proportionate consolidation method, which means that the Group's share in book values of like items of assets, liabilities, income and expenses are aggregated

after eliminating the intra-group balances, transactions and resulting unrealized profits or losses to the extent of the proportionate share of the Group in the joint venture.

- (iii) The excess of cost of investment in the subsidiary / jointly controlled entity over the Group's portion of equity of the subsidiary / jointly controlled entity, at the date on which investment is made, is recognized in the financial statements as Goodwill on Consolidation.
- (iv) The excess of Group's portion of equity of the subsidiary / jointly controlled entity over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.
- (v) The Goodwill / Capital Reserve is determined separately for each subsidiary company / jointly controlled entity and such amounts are not set off between different entities.
- (vi) Minority Interests in the net assets of the subsidiaries consist of:
  - (a) The amount of equity attributable to minorities at the date on which investment is made; and
  - (b) The minorities' share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the minority in a consolidated subsidiary may exceed the minority interest in the equity of subsidiary. The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to, and is able to, make good the losses.
- (vii) The financial statements of the Company, its subsidiaries, jointly controlled entities and associates used in the consolidation are drawn upto the same reporting date i.e. 31st March 2016, other than Euro Forbes Ltd., Forbes Lux International AG, Lux International AG, Forbes Lux Group AG Baar, Lux/SK/s.r.o, Lux Italia srl, Lux Schweiz AG, Lux (Deutschland) GmbH, Lux Service GmbH, Lux Norge A/S, Lux Osterreich GmbH, Lux CZ s.r.o, Lux Hungária Kereskedelmi Kft., Forbes Lux FZCO, AMC Cookware PTY Limited, Lux Del Paraguay S.A., Hogar Paraguay Electrodomésticos S.A., Lux Aqua GmbH, Lux Aqua Hungária Kft and LIAG Trading & Investment Ltd., whose reporting dates are 31st December, 2015. 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.
- (viii) Figures pertaining to the subsidiaries and the interests in jointly controlled entities have been reclassified wherever necessary to bring them in line with the Company's financial statements.
- (ix) Subsidiaries:

Subsidiaries are entities in which the Company owns, either directly or indirectly, more than half of the shares with voting rights or where the Company has a controlling influence on the basis of agreements.

Subsidiaries are included in the consolidated financial statements from the point in time at which the control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the control ceases.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

1. The list of subsidiary companies which are included in the consolidation and the Group's holdings therein are as under:

Sr. No.	Name of the Company	See Footnote No.	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
				For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Eureka Forbes Limited and its subsidiaries:		India	100.00	100.00
	(a) Aquamall Water Solutions Limited and its subsidiary:		India	100.00	100.00
	- Aquadiagnostics Water Research & Technology Center Limited		India	100.00	100.00
	- Forbes Lux International AG and its subsidiaries :		Switzerland	100.00	100.00
	i) Lux International AG and its subsidiary :		Switzerland	100.00	100.00
	- Lux del Paraguay S.A.	4	Paraguay	50.00	50.00
	ii) Forbes Lux Group AG and its subsidiary :		Switzerland	100.00	100.00
	- Lux /SK/s.r.o.		Slovakia	100.00	100.00
	iii) Lux Italia srl		Italy	100.00	100.00
	iv) Lux Schweiz AG		Switzerland	100.00	100.00
	v) Lux (Deutschland) GmbH and its subsidiaries		Germany	100.00	100.00
	- 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 CZ s.r.o		Czech Republic	100.00	100.00
	- Lux Hungária Kereskedelmi Kft.		Hungary	100.00	100.00
	- Lux Aqua GmbH (w.e.f. 21st September, 2015)		Switzerland	100.00	-
	- Lux Aqua Hungária Kft (w.e.f. 21st September, 2015)		Hungary	100.00	-
	- LIAG Trading & Investment Ltd.		UAE	100.00	100.00
	(b) Forbes Facility Services Private Limited		India	100.00	100.00
	(c) Forbes Enviro Solutions Limited	5	India	100.00	100.00
	(d) Waterwings Equipment Private Limited	5	India	-	100.00
	(e) Radiant Energy Systems Private Limited	5	India	-	100.00
	(f) EFL Mauritius Limited		Mauritius	100.00	100.00
	(g) Euro Forbes Financial services Limited		India	100.00	100.00
	(h) Euro Forbes Limited and its subsidiary:		UAE	100.00	100.00
	-Forbes Lux FZCO		UAE	99.42	99.42
2	Forbes Campbell Finance Limited and its subsidiaries:		India	100.00	100.00
	(a) Forbes Bumi Armada Limited		India	51.00	51.00
	(b) Forbes Campbell Services Limited		India	98.00	98.00
	(c) Forbes Edumetry Limited	2	India	57.50	57.50
	(d) Forbes Technosys Limited	7	India	-	100.00
3	Volkart Fleming Shipping & Services Limited		India	100.00	100.00
4	Forbes Container Line Pte. Limited and its subsidiary:		Singapore	100.00	100.00
	- Forbesline Shipping Services LLC	3	UAE	49.00	49.00
5	Forbes Bumi Armada Offshore Limited		India	50.001	50.001
6	Shapoorji Pallonji Forbes Shipping Limited	3	India	25.00	25.00
7	Campbell Properties & Hospitality Services Limited		India	100.00	100.00
8	Forbes Technosys Limited	1 & 6 & 7	India	100.00	-

### Footnotes:

- The financial statements of the Company and subsidiary at sr. no. 8 are audited by Deloitte Haskins & Sells LLP and Deloitte Haskins & Sells respectively. The financial statements of all other subsidiaries are audited by other auditors.
- Forbes Edumetry Limited, a subsidiary, had initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956 in the year ended 31st March, 2015.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 3 Forbesline Shipping Services LLC, Dubai, and Shapoorji Pallonji Forbes Shipping Ltd., India have been considered as subsidiaries based on control over the composition of the Board of Directors.
- 4 Full consolidation in case of Lux del Paraguay S.A is due to operational control.
- 5 EFL subsidiary companies viz. Radiant Energy Systems Private Limited and Waterwings Equipment Private Limited have merged into Forbes Enviro Solutions Private Limited (EFL's subsidiary) w.e.f. 11th March, 2014. The scheme was approved by High Court on 21st August, 2015.
- 6 Technext E-Payment & Services Limited a subsidiary of Forbes Technosys Limited, was incorporated on 14th July, 2015 and disposed off on 28th March, 2016.
- 7 Forbes Technosys Limited has become direct subsidiary of the Company with effect from 10th March, 2016.
- 2 The effect of acquisition and disposal of Subsidiaries / Jointly Controlled Entity:

Particulars	2015-16		2014-15	
	Acquisition	Disposal	Acquisition	Disposal
	₹ in Lakhs)		₹ in Lakhs)	
Liabilities as at (date of acquisition / disposal)				
Non-current liabilities	-	189.21	15,694.69	-
Current liabilities	-	70.90	1,223.77	35.61
Assets as at (date of acquisition / disposal)				
Non-current assets	-	-	27,085.34	41.77
Current assets	-	10.88	2,747.60	96.35
Revenue for the period ended	-	-	4,370.39	1,512.36
Expenses for the period ended	-	-	4,932.83	1,710.09
Profit / (Loss) before tax for the period ended	-	-	(562.44)	(197.74)

- 1 Shapoorji Pallonji Forbes Shipping Limited ( Formerly known as SCI Forbes Limited) had been considered as a subsidiary by virtue of the Company's ability to appoint majority of directors on the Board of the Subsidiary w.e.f. 1st December 2014, impact of which is considered in the above table.
- 2 The Company through its subsidiary, Forbes Campbell Finance Limited had sold its 50% share in jointly controlled entity, Nypro Forbes Products Limited. (upto 23rd February 2015.), impact of which is considered in the above table.
- 3 The company through its subsidiary, Eureka Forbes Limited (EFL) had divested its investment in one of its subsidiary, namely E4 Development and Coaching Limited w.e.f. 01st April 2014, impact of which is considered in the above table.
- 4 Euroforbes International Pte Limited is liquidated on 23rd March, 2015, impact of which is considered in the above table.
- 5 Eurolife Regen Private Limited, a joint venture of EFL was divested w.e.f. 1 April, 2015.
- 6 Edumentry INC., USA, a joint venture of the Company has been dissolved on 28 October, 2015.

### (x) Foreign Subsidiaries

The consolidated financial statements includes twenty one subsidiaries (previous year: nineteen 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 considering them as non-integral part of the Group's operations and the resultant exchange gain / loss on conversion has been carried forward as 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 / Indian GAAP.

### (xi) Jointly Controlled Entities:

Interests in jointly controlled entities comprise of the share of the Group's interest in a company in which the Group has acquired joint control over its economic activities by contractual agreement.

Interests in jointly controlled entities are included in the consolidated financial statements of the Group from the point in time at which the joint control is transferred to the Group and are no longer included in the consolidated financial statements from the point in time at which the joint control ceases. Interests in joint ventures are aggregated in the consolidated financial statements by using the proportionate consolidation method, which means that the Group's share in book values of like items of assets, liabilities, income and expenses are aggregated after eliminating the intra-group balances, transactions and resulting unrealized profits and losses to the extent of the proportionate share of the Group in the joint venture. If the acquisition values of the shares in the joint ventures exceed the share in the equity, the difference is assigned to Goodwill. If the acquisition cost falls below the share in the acquired joint ventures equity, the difference is treated as a Capital Reserve.

The financial statements of the following companies which are in the nature of jointly controlled entities have been consolidated as aforesaid.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Sr. No.	Name of the Company	See Footnote No.	Incorporated In	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
				For the year ended 31st March, 2016	For the year ended 31st March, 2015
1	Forbes Aquatech Limited	1	India	50.00	50.00
2	Forbes Concept Hospitality Services Private Limited	1 & 3	India	50.00	50.00
3	Infinite Water Solutions Private Limited	1	India	50.00	50.00
4	Forbes G4S Solutions Private Limited	1	India	50.00	50.00
5	Aquaignis Technologies Private Limited	1	India	50.00	50.00
6	Edumetry Inc.	5	USA	-	50.00
7	AMC Cookware Limited	2	South Africa	50.00	50.00
8	Eurolife Regen Private Limited	4	India	-	50.00

## Footnotes:

- Jointly controlled entities of Eureka Forbes Limited.
- Jointly controlled entity of Lux International AG.
- The Company has ceased business operations, hence the assets and liabilities have been stated at net realizable value. The accounts are not prepared on going concern basis.
- The Company through its subsidiary Eureka Forbes Limited has divested its investment in Eurolife Regen Private Limited w.e.f. 01st April, 2015.
- Edumentry Inc. has been dissolved on 28th October, 2015.

The proportionate share of assets, liabilities, revenue, expenses, contingent liabilities and capital and other commitments of the above jointly controlled entities included in these consolidated financial statements are given below :

	2015-2016 ₹ in lakhs	2014-15 ₹ in lakhs
<b>I ASSETS</b>		
<b>A Non-current assets</b>		
a Fixed assets		
(i) Tangible assets	958.99	1,056.86
(ii) Intangible assets	268.70	298.29
(iii) Capital work-in-progress	-	4.55
b Deferred tax assets (net)	-	23.90
c Long-term loans and advances	223.33	414.87
d Other non-current assets	0.65	0.61
	<u>1,451.67</u>	<u>1,799.08</u>
<b>B Current assets</b>		
a Inventories	1,380.32	2,038.91
b Trade receivables	2,128.42	2,651.50
c Cash and bank balances	635.92	274.89
d Short-term loans and advances	46.57	37.67
e Other current assets	60.01	25.29
	<u>4,251.24</u>	<u>5,028.26</u>
<b>II LIABILITIES</b>		
<b>A Non-current liabilities</b>		
a Long-term borrowings	-	189.21
b Deferred tax liabilities (net)	230.41	255.77
c Other long term liabilities	8.93	12.44
d Long-term provisions	5.53	3.32
	<u>244.87</u>	<u>460.74</u>

**B Current liabilities**

a Short-term borrowings	61.52	62.43
b Trade payables	311.74	548.92
c Other current liabilities	1,637.47	2,099.15
d Short-term provisions	62.78	171.54
	<u>2,073.51</u>	<u>2,882.04</u>

**III REVENUE**

a Revenue from operations (net)	4,088.02	7,936.62
b Other income	213.78	281.09
	<u>4,301.80</u>	<u>8,217.71</u>

**IV EXPENSES**

a Cost of materials consumed	3,357.37	4,595.27
b Purchases of stock-in-trade	684.38	50.71
c Changes in inventories of finished goods, work-in-progress and stock-in-trade	1,608.78	1,813.21
d Employee benefits expense	1,294.72	2,256.10
e Finance costs	48.81	480.74
f Depreciation and amortization expense	121.99	587.55
g Other expenses	1,806.09	2,699.00
	<u>8,922.14</u>	<u>12,482.58</u>
h Exceptional Items	317.16	2,756.15
i Extraordinary Items	73.99	-
j Tax expense:		
(i) Current tax expense	170.95	261.32
(ii) Less: MAT credit entitlement	-	(4.31)
(iii) (Excess) / short provision for current tax relating to prior years	(1.79)	(3.80)
(iv) Net current tax expense	169.16	253.21
(v) Deferred Tax	11.13	9.96
	<u>180.29</u>	<u>263.17</u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Name of the Joint Venture Company	2015-16		2014-15	
	Contingent Liabilities	Capital and other Commitments	Contingent Liabilities	Capital and other Commitments
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Forbes Aquatech Ltd.	88.94	-	86.83	0.53
Forbes Concept Hospitality Services Private Limited	-	-	-	-
Infinite Water Solutions Private Limited	-	-	-	4.21
Aquagnis Technologies Private Limited	-	2.80	-	2.80

**(xii) Associate Companies:**

Entities are consolidated as associates when the Group, either directly or indirectly, has a long-term holding usually corresponding to at least 20% but not more than 50% of the voting rights and on the basis of which the Group has a significant influence (but not control or joint control) during the year, unless it can be clearly proven otherwise.

Holdings in associate companies are reported in accordance with the equity method, meaning that shares in a company are reported at acquisition value at the date of acquisition and subsequently adjusted with the Group's share of earnings in associate companies. The Group's share of the associate companies' net profit/loss after tax is included in the Consolidated Statement of Profit and Loss.

The Group's holdings in associate companies are reported in the Consolidated Balance Sheet at an amount corresponding to the Group's share of the associate companies' net assets including goodwill/capital reserve on consolidation and any impairment.

When the Group's share of any accumulated losses exceed the acquisition value of an investment, the book value is set to zero and the reporting of future losses ceases, unless the Group is committed on the basis of guarantees or other obligations to the company in question.

The portion of unrealised profits and losses corresponding to the Group's participation in the associate company is eliminated in conjunction with transactions between the Group and the associate companies; however unrealised losses are not eliminated if the cost of the transferred asset cannot be recovered. The corresponding adjustment is made to the value of investments in the associate companies.

Name of the Company	See Footnote No.	Percentage of Holding & Voting power either directly or indirectly through subsidiary (%)	
		For the year ended 31st March, 2016	For the year ended 31st March, 2015
The Svadeshi Mills Company Limited	1	-	23.00
Euro P2P Direct (Thailand) Co. Limited	2	49.00	49.00
Nuevo Consultancy Services Limited		49.00	49.00

**Footnotes :-**

- Assets of The Svadeshi Mills Company Limited (Svadeshi) continued to be in the hands of the Official Liquidator, High Court, Bombay. An application to get Svadeshi out of liquidation was filed with the Hon'ble High Court, Bombay, which was dismissed and the Official Liquidator was directed to proceed expeditiously for winding up of Svadeshi. The Company filed an appeal before the Division Bench which was dismissed. The Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court (SC) which too was dismissed. Thereafter, a Review Petition has been filed before the Hon'ble Supreme Court and the same is pending hearing. The records of the Svadeshi are in the custody of the Official Liquidator. In view of the current status of the court matter, management has not considered Svadeshi as an associate from the current year for the purpose of consolidated financial statements. The investment in this associate has been fully provided for.
- The entity is an associate of Eureka Forbes Limited (EFL). Investments has been fully provided in the books of EFL. 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

The details of investment in associates are as under: -

(₹ In Lakhs)

Particulars	The Svadeshi Mills Company Limited	Euro P2P Direct (Thailand) Co. Limited	Nuevo Consultancy Services Limited	Total
Number of equity shares	Refer footnote 1 above	<b>19,596</b>	<b>58,849</b>	
	<i>1,769,430</i>	<i>19,596</i>	<i>58,849</i>	
Cost of investments in equity	Refer footnote 1 above	<b>26.67</b>	<b>5.88</b>	<b>32.55</b>
	<i>177.75</i>	<i>26.67</i>	<i>5.88</i>	<i>210.30</i>
Post acquisition share in profits / (Losses) / provision for diminution in value of investments	Refer footnote 1 above	<b>(26.67)</b>	<b>(5.88)</b>	<b>32.55</b>
	<i>(177.75)</i>	<i>(26.67)</i>	<i>(5.88)</i>	<i>(210.30)</i>
Carrying cost of equity	-	-	-	-
	-	-	-	-

Footnote:

Figures in italics are in respect of the previous year

### C. FIXED ASSETS AND DEPRECIATION/AMORTISATION

#### Tangible Fixed assets

Tangible fixed assets acquired by the Group are carried at cost of acquisition or construction, with deductions for accumulated depreciation and 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.

#### Intangible assets

Intangible assets are carried at 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).

Expenditure incurred for acquiring brand from which future economic benefit will flow over a period of time, is amortised over the estimated useful life of 5 years.

Indirect development costs for products are expensed. 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 asset and the ability to measure reliably the expenditure during development.

Research costs are charged to the Consolidated 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.

#### Capital work-in-progress

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

#### 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.

#### Opening Adjustments

The column "Opening Adjustments" in Note no. 12 represents additions / deletions pertaining to the opening block of Fixed Assets of the subsidiaries and jointly controlled entities acquired / sold in the previous year, adjustment on account of Foreign Exchange translation and revaluation of opening block of fixed assets.

#### DEPRECIATION AND AMORTISATION :

Depreciation on tangible fixed assets has been provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013, except in respect of certain assets, in whose case the life of the assets has been assessed based on technical certification, 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.

#### I THE COMPANY : (11.07 % of Total Depreciation, Previous Year 33.07%)

Depreciation is calculated on straight line method. The estimated useful life of the assets are as under :

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Class of Assets	Estimated Useful Life
(i) Leasehold Land	Lease Term
(ii) Building	As per Schedule II of the Companies Act, 2013 except in certain buildings, useful life is based on technical certification
(iii) Plant & Machinery	Useful life is based on technical certification
(iv) Furniture & Fixture	As per Schedule II
(v) Vehicles	4 years
(vi) Office equipments, Electrical installations, Computers:-	
- Owned	As per Schedule II
- Leased	Lower of lease term and useful life as per Schedule II
(vii) Buildings on leasehold land	Lower of the useful life as per Schedule II and the lease term except in certain building useful life is based on technical certification
(viii) All Categories of assets costing ₹ 5,000 and less	Fully depreciated in the year of purchase

### II SUBSIDIARIES / JOINTLY CONTROLLED ENTITIES:

- (i) Depreciation has been provided on straight line method as per useful life and in the manner specified in Schedule II of the Companies Act, 2013 by Eureka Forbes Limited Group's Indian entities, Forbes Bumi Armada Offshore Limited, Forbes Bumi Armada Limited, Forbes Technosys Limited, Forbes Campbell Finance Limited and Shapoorji Pallonji Forbes Shipping Limited. (40.62 % of total depreciation, *Previous Year -41.14%*) except for the assets mentioned in the table below.
- (ii) In case of certain assets, depreciation has been provided based on estimated useful life of fixed assets on straight line method by Forbes Container Line Pte. Limited, Forbes Technosys Limited, Volkart Fleming Shipping & Services Limited, Eureka Forbes Limited Group's Foreign entities and Indian entities details of which are given below (35.52% of total depreciation, *Previous Year 63.70%*)

In case of the following companies, all fixed assets other than those specified in the below table are depreciated based on useful life prescribed in Schedule II to the Companies Act, 2013:

Company	Type of Assets	Period
Forbes Container Line Pte. Limited	Software system	3 years
	Furniture and Fittings	5 years
	Containers	5 years
Forbes Technosys Limited	Furniture and Fixtures	3 - 10 years
	Office Equipment	3 - 5 years
	Data Processing equipment on lease	3 - 6 years
	Vehicles	4 years
Forbes Bumi Armada Offshore Limited	Furniture and Fittings	5 years

Company	Type of Assets	Period
Volkart Fleming Shipping & Services Limited	Buildings	20 years
Eureka Forbes Limited Group		
In the case of Indian Entities :-	Plant & Machinery for cleaning services	5 years
	Plant & Machinery on rent	2-3 years
	Motor Cycles	3 years
	Motor Cars (For Certain Companies)	5 years
	Office Equipment (Mobile Phones)	3 Years
	Leasehold improvements Intangible Assets	period of lease 3-5 years and over a period of 10 years for technical know-how
In the case of Foreign Entities :-	Computer equipment	3 years
	Office machines	3 years
	Tooling and demo kits	5 years
	Vehicles	5 years
	Machines	10 years
	Land and improvement	15 years
	Buildings	20-40 years
	Leasehold improvements Intangible Assets	period of lease On Straight Line Basis over the best estimate of their useful lives but not exceeding 10 Year

(iii) Leasehold improvement is amortised on straight line basis over the period of the lease (0.11%, *Previous Year 0.46%*)

(iv) Intellectual property / distribution rights and software by Forbes Technosys Limited are amortised over the period of 5 years; Development Expenditure, Software and Brand by Eureka Forbes Limited are amortised over a period of 3 and 5 years respectively; Software by Forbes Bumi Armada Limited and Forbes Bumi Armada Offshore Limited are amortised over the period of 6 years; Software by Forbes Container Line Pte Limited and Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited) are amortised over the period of 3 years ; (12.68% of total depreciation, *Previous Year 43.81%*).

### D. IMPAIRMENT OF ASSETS:

The Group assesses at each balance sheet date 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. 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

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Consolidated 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.

### E. INVESTMENTS:

Long term investments are valued at cost, less provision for diminution other than temporary, in value, if any. Current investments are valued at the lower of cost and fair value. Cost of investments includes acquisition charges such as brokerage, fees and duties. Profit or loss on sale of investment is recognised using Weighted Average Method.

### F. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised for the period until the asset is ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing Cost includes exchange difference arising from foreign currency borrowings to the extent they are regarded to the adjustment to interest costs.

### G. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION:

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the date of the transaction except by Eureka Forbes Limited where such transactions are recorded at average rate of the quarter end. Monetary items denominated in foreign currency at the year-end are translated at year end rates. The exchange differences arising on settlement / translation are recognised in the Consolidated Statement of Profit and Loss. Non-monetary items denominated in foreign currency are carried at historical cost.

The foreign subsidiaries are accounted as non-integral part of the Group and the resultant exchange difference on translation is accounted as Foreign Currency Translation Reserve.

In case of Liabilities in respect of foreign currency loans obtained for acquisition of Fixed Assets, the variation in the liability arising out of the exchange rates on repayment or restatement at the year end is recognised in the Consolidated Statement of Profit and Loss in lines with Accounting Standard.

Accounting for Forward Contracts: Premium / discount on forward exchange contracts, which are not intended for trading or speculation purposes, are amortised over the period of the contracts if such contracts relate to monetary items as at the Balance Sheet date. Exchange differences on such contracts are recognised in the Consolidated Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense in the period in which such cancellation or renewal is made.

### H. INVENTORIES:

**I The Company :- (10.48 % of Total Inventory, Previous Year 10.96 %).**

Inventories are valued at the lower of the acquisition / production cost and the corresponding net realisable value after providing for obsolescence and other losses, where considered necessary. The principles of determining costs of various types of inventories are tabulated below:

Sr. No.	Type	Basis of determining costs
1	Stores, spare parts, components and loose tools	Moving weighted average method
2	Raw and packing materials	Standard cost adjusted for variances based on weighted average purchase price.
3	Work in Progress	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) up to the stage of completion based on standard cost adjusted for variances.
4	Finished Goods	Aggregate of cost of materials, other direct costs and absorbed production overheads (including depreciation) based on standard cost adjusted for variances including excise duty.
5	Stock - in - Trade (In respect of goods acquired for trading)	Standard cost adjusted for variances based on weighted average purchase price.
6	Real estate development work-in-progress	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. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

### II. Subsidiaries / Jointly Controlled Entities:

Inventories of Forbes Technosys Limited are valued on the same basis as that of the Company ( 11.05 % of total inventory, *Previous Year 9.02 %*). Inventories of Eureka Forbes Limited [its subsidiaries and jointly controlled entities (except subsidiary and jointly controlled entities mentioned below)] are valued at lower of cost or net realisable value. Cost is determined using First-In-First-Out method. (65.90 % of total Inventory, *Previous Year 67.11%*). Provision is made for obsolete / slow moving inventories.

Inventories of Aquamall Water Solutions Limited, Forbes Facility Services Private Limited, Forbes Aquatech Limited, Infinite Water Solutions Limited, Aquagnis Technologies Private Limited, Forbes Bumi Armada Offshore Limited and Nypro Forbes Product Limited, are valued at lower of cost or net realisable value. Cost is determined using Weighted Average Method. (12.57% of total Inventory, *Previous Year 12.91%*).

### I. 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. Earnings considered in ascertaining the Group's earnings per share is the net profit for the period after deducting the preference dividends and any attributable tax thereto for

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

### J. REVENUE RECOGNITION:

#### 1. Sale of products

Sale of products is recognised when risk and rewards of ownership of the products are passed on to the customers, which is generally on despatch of goods. Export sales are recognised on the basis of Bill of lading / Airway bill. Sales are stated net of returns, trade discounts and VAT / Sales Tax.

#### 2. Income from Recharge Sales

Revenue on sale of recharge recognised when the pins are downloaded by the customer.

#### 3. Sale of services

- (i) Multimodal transport income and expenses in case of export handling activities is recognised at the date of bill of lading / airway bill and in case of import handling activities, when the relevant documents (i.e. delivery orders) are delivered to the customers.
- (ii) Charter hire income and container freight station ground rent income is recognised on an accrual basis as per terms of contract.
- (iii) Income from other services is recognised as and when the services are performed and recorded net of sales tax/VAT and Service tax.

#### 4. Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### 5. Dividend

Dividend income is accounted when the right to receive payment is established and known.

#### 6. Revenue from Real Estate Contracts

The Group follows the percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) for recognising revenue from projects, based on estimation of the outcome of the project when the following are completed :-

- a) All critical approvals for commencement have been obtained;
- b) At least 25% of development costs for the project have been incurred;
- 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 recognized with respect to executed agreements for sale of the units upon achieving threshold percentage of actual project cost incurred as against the total estimated cost of the project.

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which such probability occurs.

Subsequent to the close of the contract, expenditure if any, incurred on completed jobs during the Defects Liability period is accounted for in the year of such expenses.

### K. EMPLOYEE BENEFITS:

#### 1. Provident fund

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 and the recognised provident fund managed by the trust set up by the Group which are charged to the Consolidated Statement of Profit and Loss as incurred.

The Group is generally liable for annual contributions and any shortfall in the interest based on the government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

#### 2. Superannuation

The eligible employees of the Group are entitled to receive post-employment benefits in respect of superannuation fund in which the Group makes an annual contribution at a specified percentage of the employees' eligible salary. The contributions are made to the Life Insurance Corporation of India (LIC). Superannuation is classified as defined contribution plan as the Group has no further obligations beyond making the contribution. The Group contribution to defined contribution plan is charged to the Consolidated Statement of Profit and Loss as incurred.

#### 3. Gratuity

The Group has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months subject to maximum amount prescribed. For certain categories of employees, lump sum amount equivalent to one month salary for services up to 15 years; for services above 15 years but equals to or less than 25 years, one month salary up to 15 years and 15 days salary for services in excess of 15 years; and for services above 25 years, one month salary up to 15 years, 15 days salary for services in excess of 15 years up to 25 years and one-third monthly salary for services in excess of 25 years, payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service. The Group has obtained insurance policies with LIC and makes an annual contribution to LIC for amounts notified by LIC. The Group accounts for gratuity



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss.

#### 4. Post-retirement medical benefits and non-compete fees

Under this post-retirement scheme, 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. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss.

#### 5. Compensated absences

The Group 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 Group makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using The Projected Unit Credit method. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss.

#### 6 Pension Policy

Lux Group Companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee administration funds. 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 respective countries. All risks are reinsured and a underfunding is not possible.

### L. TAXES ON INCOME:

Tax expense comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income-Tax Act, 1961. The Company recognizes deferred tax (subject to consideration of prudence) based on the tax effect of timing differences, being differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognized as an asset in the Consolidated Balance Sheet when it is probable that future economic benefit associated with it will flow to the entity. MAT Credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, in case of Shapoorji Pallonji Forbes Shipping Limited (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 the Company 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 Company are not material, in view of which provision for deferred taxation is not considered as necessary.

### M. 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 of consolidated 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.

### N. SEGMENT REPORTING:

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

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis, have been included under 'Unallocated revenue / expenses / assets / liabilities'.

### O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognised only when there is a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to its present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. 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. Contingent Assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised.

### P. GOODWILL ON CONSOLIDATION:

Goodwill comprises the portion of a purchase price for an acquisition

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

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 is included in the value of the holdings in the associate company.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Consolidated Statement of Profit and Loss.

### Q. PRODUCT WARRANTY EXPENSES:

Product warranty costs are provided in the year of sale based on past experience. In respect of warranties given by the Group on sale of certain products, the estimated costs of these warranties are accrued at the time of sale on the basis of technical estimate. The estimates for accounting of warranties are reviewed and revisions are made as required.

### R. GOVERNMENT GRANT:

Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received. Grants received from Government in the nature of promoter's contribution towards fixed capital investment are recognized as capital reserve and treated as part of shareholder's funds.

### S. EXPORT INCENTIVES:

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

### T. CASH FLOW STATEMENT:

Cash flows are reported using the indirect method, whereby consolidated profit / (loss) before extraordinary items and tax 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 based on the available information.

### U. CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less on the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### V. OPERATING CYCLE:

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and irrealisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

	Number of shares	As at 31st March, 2016 ₹ in Lakhs	Number of shares	As at 31st March, 2015 ₹ in Lakhs
<b>3. Share capital</b>				
<b>Authorised:</b>				
Equity shares of ₹ 10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>1,50,00,000</b>	<b>1,500.00</b>
<b>Issued, subscribed and fully paid:</b>				
Equity shares of ₹ 10 each	1,27,32,218	1,273.22	1,27,32,218	1,273.22
[excludes 166,398 (Previous year 166,398) equity shares held by a subsidiary, which have been eliminated on consolidation]	<b>1,27,32,218</b>	<b>1,273.22</b>	<b>1,27,32,218</b>	<b>1,273.22</b>

#### (a) 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, except in case of interim dividend. 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.

#### (b) Equity shares held by holding company

93,59,293 (Previous year: 93,59,293) equity shares are held by the holding company, Shapoorji Pallonji and Company Private Limited.

#### (c) Equity shares held by each shareholder holding more than 5 percent equity shares in the Company are as follows:

Name of Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	Number of equity shares held	% holding	Number of equity shares held	% holding
Shapoorji Pallonji & Company Private Limited	93,59,293	73.51	93,59,293	73.51
India Discovery Fund Limited	11,48,255	9.02	11,48,255	9.02

(d) The Company has not allotted 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 FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>4. Reserves and Surplus</b>			<b>(h) General reserve:</b>		
<b>(a) Capital Reserve (including government grants):</b>			Balance as per last balance sheet	42,785.05	42,785.05
Balance as per last balance sheet	203.25	203.25	Add: Transferred to Surplus / (Deficit) in Consolidated Statement of Profit and Loss	(64.02)	-
<b>(b) Capital Contribution Reserve:</b>			Closing Balance	42,721.03	42,785.05
Balance as per last balance sheet	493.53	493.53	<b>(i) Foreign Currency Translation Reserve:</b>		
<b>(c) Securities Premium:</b>			Balance as per last balance sheet	(4,013.99)	(6,280.91)
Balance as per last balance sheet	161.76	161.76	Add: Effect of foreign exchange rate variations during the year	(2,596.47)	2,266.92
<b>(d) Foreign Currency Monetary Item Translation Difference Account</b>			Closing Balance	(6,610.46)	(4,013.99)
Balance as per last balance sheet	-	1,000.10	<b>(j) Capital Reserve on Consolidation:</b>		
Add: Exchange Gain / (Loss) during the year	-	(173.15)	Balance as per last balance sheet	1,206.27	1,253.76
Less: Amortisation / Utilization during the year (Net)	-	(826.95)	Less: Sale of Joint Venture	-	(47.49)
Closing Balance	-	-	Closing Balance	1,206.27	1,206.27
<b>(e) Legal Reserve :</b>			<b>(k) Surplus/(deficit) in Consolidated Statement of Profit and Loss:</b>		
Balance as per last balance sheet	-	0.88	Balance as per last balance sheet	(389.99)	(2,432.32)
Add: Transferred Surplus / (Deficit) in Consolidated Statement of Profit and Loss	-	(0.88)	Less : Depreciation on Transition to Schedule II to Companies Act,2013 on tangible assets with nil remaining useful life (net of deferred tax)	-	(766.52)
Closing Balance	-	-	Add: (Loss)/Profit for the year	(3,789.94)	3,246.71
<b>(f) Tonnage Tax Reserve:</b>				(4,179.93)	47.87
Balance as per last balance sheet	112.88	112.88	Less: Dividend on preference shares issued by subsidiary companies outside the group (including tax thereon)	(90.07)	(108.82)
Add: Transferred from Surplus / (Deficit) in Consolidated Statement of Profit and Loss	235.00	-	Less: Tax on Intra group dividends	(335.91)	(329.92)
Closing Balance	347.88	112.88	Add: Transferred from/(to):		
<b>(g) Debenture Redemption Reserve:</b>			(i) Legal Reserve	-	(0.88)
Balance as per last balance sheet	2,500.00	2,500.00	(ii) General Reserve	64.02	-
			(iii) Tonnage Tax Reserve	(235.00)	-
				(4,776.89)	(389.99)
			Closing Balance	36,246.37	43,058.76

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Non - current portion		Current maturities	
	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs	As at 31st March, 2016 ₹ in Lakhs	As at 31st March, 2015 ₹ in Lakhs
<b>5. Long-term borrowings</b>				
(a) <b>Redeemable Non-convertible Debentures - Secured</b> Secured by mortgage of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities	6,000.00	4,000.00	4,000.00	6,000.00
(b) <b>Term loans - Secured</b>				
<b>From Banks</b>				
(i) Federal Bank Limited	-	1,000.00	1,000.00	1,000.00
(ii) DCB Bank Term Loan -I	1,125.00	1,500.00	375.00	-
(iii) External Commercial Borrowings from HSBC Bank and Societe Generale Bank	9,074.50	36,160.57	3,626.32	5,128.05
(iv) Foreign currency term loan from Axis Bank, Dubai	19,228.94	20,926.25	906.31	742.07
(v) Export Import Bank of India	103.78	172.97	69.19	69.19
(vi) Axis Bank Ltd	1,714.00	2,700.00	2,986.00	-
(vii) DCB Bank Term Loan -II	1,125.00	1,500.00	375.00	-
(viii) Bank Debts	48.32	63.10	-	-
(ix) External Commercial Borrowings from ICICI Bank UK PLC	6,004.58	-	-	-
<b>From Others:</b>				
Tata Capital Financial Services Ltd.	-	53.15	-	113.02
Others	3,281.36	3,086.98	-	-
	<b>41,705.48</b>	<b>67,163.02</b>	<b>9,337.82</b>	<b>7,052.33</b>
(c) <b>Unsecured</b>				
Debentures	2,500.00	5,000.00	2,500.00	-
Term loan from Axis Bank Ltd	20,491.30	-	-	-
(d) <b>Finance lease obligation - Secured [see Note 37(a)]</b> Secured by Computer Hardware financed.	-	778.57	534.34	250.44
(e) <b>Loans and advances from joint venturers and minority shareholders (Unsecured)</b>	-	189.21	-	-
	<b>70,696.78</b>	<b>77,130.80</b>	<b>16,372.16</b>	<b>13,302.77</b>
<b>Less: Amount disclosed under "Other current liabilities" (see Note 10)</b>	-	-	<b>(16,372.16)</b>	<b>(13,302.77)</b>
	<b>70,696.78</b>	<b>77,130.80</b>	<b>-</b>	<b>-</b>

**5. Long-term borrowings**

**Notes**

(i) Details of bonds / debentures issued by the Group:

Particulars	Terms and conditions	As at 31 March, 2016				As at 31 March, 2015			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
11% Redeemable debentures	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 30% at the end of 36 months i.e. on 13th September, 2015, 30% at the end of 48 months i.e. on 13th September, 2016 and 40% at the end of 60 months i.e. on 13th September, 2017 from the date of allotment.	-	-	-	-	-	6,000.00	-	-
5% Redeemable debentures	Repayment on 27th April, 2016 alongwith redemption premium of ₹ 757 Lakhs.	-	4,000.00	-	-	4,000.00	-	-	-

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 5. Long-term borrowings

#### Notes

(i) Details of bonds / debentures issued by the Group:

Particulars	Terms and conditions	As at 31 March, 2016				As at 31 March, 2015			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
9.8% Redeemable debentures	Put / call option at the end of 36 months from the date of allotment. In case the put or call option is not exercised, then the debentures will be redeemed at par as: 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 from the date of allotment.	6,000.00	-	-	-	-	-	-	-
10.75% Unsecured Non-convertible Redeemable debentures	- Date of allotment of Debentures : 20th October, 2014. - The maturity of Debentures Series I - 20th March, 2017; Series II - 20th October 2017. - The debentures carry interest @ 10.75% p.a payable on quarterly basis.	-	-	2,500.00	2,500.00	-	-	5,000.00	-
<b>Total - Bonds / debentures</b>		<b>6,000.00</b>	<b>4,000.00</b>	<b>2,500.00</b>	<b>2,500.00</b>	<b>4,000.00</b>	<b>6,000.00</b>	<b>5,000.00</b>	<b>-</b>

(ii) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	Terms of repayment and security	As at 31 March, 2016				As at 31 March, 2015			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
<b>Term loans</b>									
Federal Bank Limited	- Secured by first exclusive charge by way of Equitable Mortgage of 11 flats along with part basement and part residual and garages in "Volkart House", Mumbai - Repayable in 4 half yearly installments of ₹ 500 Lakhs each. Last installment is due in January, 2017. Rate of interest 9.88% p.a. to 10.45% p.a. (Previous year 10.45% p.a.)	-	1,000.00	-	-	1,000.00	1,000.00	-	-
DCB Bank Term Loan - I	- Secured by an exclusive charge by way of mortgage on the company's immovable property - Freehold Land parcel utilised as Container Freight Station (CFS) admeasuring 14.15 acres along with building & construction thereon both present and future, situated at village Veshvi, Taluka Uran, District Raigad, Sub-District panel, Maharashtra. - Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017. Rate of interest in the range of 10.85% p.a. to 11.00% p.a. (Previous year 11% p.a.)	1,125.00	375.00	-	-	1,500.00	-	-	-
HSBC Bank and Societe Generale bank	- Secured by first mortgage / pari passu charge on the immovable properties situated at Andhra Pradesh , Gujarat , Kerala , Madhya Pradesh , Maharashtra , Odisha , Rajasthan , Tamil Nadu , Uttar Pradesh and West Bengal. - Pari-passu charge over all fixed assets (excluding movable assets for the employee benefits ) of the subsidiary company. Negative lien on all other assets except suitable carve outs for working capital facilities and pledge over brands owned by the subsidiary company. - Foreign currency denominated loan is repayable half yearly installments starting from 12th February, 2014 carrying interest rate of Euribor + Margin 2.5% p.a.	9,074.50	3,626.32	-	-	36,160.57	5,128.05	-	-

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Terms of repayment and security	As at 31 March, 2016				As at 31 March, 2015			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Axis Bank	<ul style="list-style-type: none"> <li>- 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. The subsidiary has prepaid an amount of USD 3 million on 29th March 2016. The loan is repayable in 12 consecutive unequal semi-annual installments starting at the end of 6 months from the initial utilisation date i.e. July 2, 2014. The repayment of installment follows an increasing pattern culminating in a bullet repayment installment of USD 18,728,138 on July 2, 2020.</li> <li>- The above term loan is 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.</li> <li>- The subsidiary company is required to establish and maintain a Designated Earning Account and ensure that all Earnings in respect of each vessel are paid into the Designated Earning Account. The subsidiary company has not transferred all earning from the vessel to Designated Earning Account during the year.</li> </ul>	19,228.94	906.31	-	-	20,926.25	742.07	-	-
Export Import Bank of India	<ul style="list-style-type: none"> <li>- Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the Company.</li> <li>- Repayable in quarterly installments of ₹ 17.30 Lakhs each. First installment was due in August, 2012 and last installment is due in August, 2018. Rate of interest 12% p.a. (Previous year: 12% p.a.)</li> </ul>	103.78	69.19	-	-	172.97	69.19	-	-
Axis Bank	<p>Current Year:</p> <ul style="list-style-type: none"> <li>i) Primary charge - Exclusive 1st charge on movable &amp; immovable fixed assets (tangible + intangible) present &amp; future of Forbes Technosys Limited (FTL).</li> <li>ii) Collateral - Extension of pari passu 1st charge on current assets of FTL.</li> <li>iii) The Maturity of Term Loan - March 2020.</li> <li>iv) Terms of repayment - Quarterly repayments in 14 tranches starting from December 2016 with interest rate depending upon the base rate, currently 10.25%.</li> </ul> <p>Previous Year:</p> <ul style="list-style-type: none"> <li>i) One time bullet repayment after 3 years from September, 2013 with interest rate depending on base rate, range of 10.75% to 11.50%.</li> <li>ii) Secured by exclusive 1st charge on movable and immovable fixed assets (tangible and intangible), present and future, of FTL.</li> <li>iii) Secured by 1st charge, present and future, on all stocks, book debts and receivables of FTL.</li> <li>iv) The Loan is backed by Corporate Guarantee of Forbes &amp; Company Ltd.</li> </ul>	1,714.00	2,986.00	-	-	2,700.00		-	-
DCB Bank Term Loan -II	<ul style="list-style-type: none"> <li>- Secured by an exclusive charge by way of mortgage on the company's immovable property. Leasehold Land parcel utilised as Container Freight Station (CFS) admeasuring 25.00 acres along with building &amp; construction thereon both present and future, situated at Adani Past Special Economic Zone (APSEZ), Mundra, District Kutch, Gujarat.</li> <li>- Repayable in quarterly installments of ₹ 375 Lakhs each. First installment is due in January, 2017 and last installment is due in October, 2017. Rate of interest in the range of 10.85% p.a. to 11.00 % p.a. (Previous year 11% p.a.).</li> </ul>	1,125.00	375.00	-	-	1,500.00	-	-	-

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

Particulars	Terms of repayment and security	As at 31 March, 2016				As at 31 March, 2015			
		Secured		Unsecured		Secured		Unsecured	
		Non Current	Current	Non Current	Current	Non Current	Current	Non Current	Current
		₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Bank Debts	- Secured by the pledge of total assets in Lux Hungary up to a maximum amount of HUF 1500 million same as in previous years. The loan of AMC Cookware Limited is secured by the pledge of total assets of ZAR 10 million same as in previous year. - Interest rates for all bank debts were between 2.50% and 16.00% (Previous year 3.29% and 18.00%)	48.32	-	-	-	63.10	-	-	-
ICICI Bank UK PLC	- Secured against pari passu charge on tangible and intangible assets of the company. - Repayable in 6 half yearly installments of Euro 1,120,000 and last instalment of Euro 1,280,000, beginning from 11th December, 2017.	6,004.58	-	-	-	-	-	-	-
Axis Bank Ltd	-Secured by Corporate Guarantee a) 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. b) The loan is repayable in 3 annual instalments of USD 20,00,000 each commencing from the year 2019-20.	16,531.53	-	-	-	-	-	-	-
		3,959.77	-	-	-	-	-	-	-
<b>Total - Term loans from banks</b>		<b>58,915.42</b>	<b>9,337.82</b>	-	-	<b>64,022.89</b>	<b>6,939.31</b>	-	-
<b>Term loans from other parties:</b>									
Tata Capital Financial Services Ltd	- Secured by first and exclusive charge by way of hypothecation on the assets acquired through facility. - Repayable in monthly equated installments. First installment was due in November, 2012 and last installment is due in August, 2016, account foreclosed in the year. Rate of interest 11.50% p.a. (Previous year 11.50% p.a.)	-	-	-	-	53.15	113.03	-	-
Others	- Secured against hypothecation of inventory and trade receivables. - Interest rates were between 6.789% and 7.95%	3,281.36	-	-	-	3,086.98	-	-	-
<b>Total - Term loans from other parties</b>		<b>3,281.36</b>	-	-	-	<b>3,140.13</b>	<b>113.03</b>	-	-
<b>Loans and advances from related parties:</b>									
Loans and advances from joint venturers and minority shareholders	Terms of payment are long term.	-	-	-	-	-	-	189.21	-
<b>Total - Loans and advances from related parties</b>		-	-	-	-	-	-	189.21	-
Finance lease Obligations	Current Year: These obligations are secured by a charge over the leased assets. The effective interest rate is 4.25% to 6% (2015: 4.25% to 6%) per annum. Previous Year: Repayable in 16 quarterly equated installments. Last instalment is due in December, 2015. Rate of Interest in the range of 7.68% to 9.33 % p.a.	-	534.34	-	-	778.57	250.44	-	-
<b>Total - finance lease obligations</b>		-	<b>534.34</b>	-	-	<b>778.57</b>	<b>250.44</b>	-	-

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>6. Other Long - term liabilities</b>					
(a) Trade payables	1,341.61	1,407.51			
(b) Others:					
(i) Income received in advance (Unearned income)	8,205.37	8,124.54		660.15	301.94
(ii) Security deposits	3,889.66	3,435.74			
(iii) Pension Liability	4,435.97	4,498.17			
	<u>17,872.61</u>	<u>17,465.96</u>			
<b>7. Long-term provisions</b>					
(a) Provision for employee benefits					
(i) Compensated absences	612.23	653.13			
(ii) Gratuity (see Note 34)	176.12	147.61			
(iii) Other post retirement benefits (see Note 34)	283.61	349.73			
	1,071.96	1,150.47			
(b) Provision for Warranty (see Note 33)	291.22	313.58			
(c) Provision for statutory dues (see Note 33)	154.22	245.22			
(d) Provision for Premium payable on redemption of debentures	-	498.01			
(e) Provision - Others	9.53	616.87			
	<u>1,526.93</u>	<u>2,824.15</u>			
<b>8. Short-term borrowings</b>					
(a) Secured borrowings from banks:*					
(i) Buyers credit	660.15	301.94			
(ii) Cash credit and packing credit (repayable on demand)	14,756.18	13,018.63			
	15,416.33	13,320.57			
(b) Unsecured borrowings :					
(i) From Banks	3,906.23	1,144.08			
(ii) Short term loan	880.00	-			
(iii) Loans from related parties (see Note 36)	200.00	3.76			
(iv) Commercial papers [maximum amount outstanding during the year ₹ 5,000 Lakhs (Previous year: ₹ 7,000 Lakhs)]	3,600.00	1,500.00			
(v) Others	-	396.24			
	<u>8,586.23</u>	<u>3,044.08</u>			
	<u>24,002.56</u>	<u>16,364.65</u>			
			<b>* Nature of Security</b>		
			<b>Buyers Credit:</b>		
			Secured by second charge on 11 residential flats, part basement and part garages in "Volkart House", Mumbai.		
			<b>Cash Credit and Packing Credit:</b>		
			Secured by hypothecation of stocks including raw materials, stock-in-process, finished goods, stores and trade receivables and mortgage of properties		
			Total	<u>15,416.33</u>	<u>13,320.57</u>
			<b>9. Trade Payables</b>		
			(a) Micro and Small enterprises	2,149.41	3,593.27
			(b) Others	62,448.59	50,135.48
				<u>64,598.00</u>	<u>53,728.75</u>
			<b>10. Other current liabilities</b>		
			(a) Current maturities of long-term debt and deferred payment liabilities (see Note 5)	15,837.82	13,052.33
			(b) Current maturities of finance lease obligation (secured) (see Note 5)	534.34	250.44
			(c) Interest accrued but not due on borrowings	649.47	568.51
			(d) Income received in advance (unearned revenue)	26,773.03	25,182.47
			(e) Gratuity Payable	93.67	181.92
			(f) Unclaimed dividends *	-	2.36
			(g) Unclaimed matured deposits and interest accrued thereon *	-	2.33
			(h) Other payables:		
			(i) Statutory remittances	4,403.41	3,912.64
			(ii) Payables on purchase of fixed assets	14.95	18.10
			(iii) Trade / Security deposits	363.02	397.92
			(iv) Payables to Shipping Principals	47.76	769.20
			(v) Customers' credit balances and advances for supplies and services to be rendered	2,122.95	3,115.04
			(vi) Payable under forward contracts	24.63	-
			(vii) Others	26.61	23.20
				<u>50,891.66</u>	<u>47,476.45</u>
			* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund		



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015
	<u>₹ in Lakhs</u>	<u>₹ in Lakhs</u>
<b>11. Short - term provisions</b>		
<b>(a) Provision for employee benefits</b>		
(i) Compensated absences	278.51	156.33
(ii) Gratuity (see Note 34)	184.60	133.80
(iii) Other post retirement benefits (see Note 34)	<u>98.60</u>	<u>93.87</u>
	<b>561.71</b>	<b>384.00</b>
<b>(b) Others</b>		
(i) Tax provisions less payments including Fringe Benefit tax (other than deferred tax)	1,247.95	1,598.18
(ii) Provision for wealth tax less payments	8.74	36.23
(iii) Provision for dividend on cumulative preference shares issued by subsidiary companies outside the group	441.83	357.01
(iv) Provision for tax on dividend on cumulative preference shares issued by subsidiary companies outside the group and Intra group dividends	94.25	83.97
(v) Provision for Warranty (see Note 33)	1,220.53	1,116.35
(vi) Provision for Premium payable on redemption of debentures	739.43	-
(vii) Provision for disputed statutory demands (see Note 33)	725.00	220.00
(viii) Provision for estimated losses on onerous contracts (see Note 33)	200.71	274.00
(ix) Provision for Restructuring and Others	<u>539.54</u>	<u>431.36</u>
	<u><b>5,217.98</b></u>	<u><b>4,117.10</b></u>
	<u><b>5,779.69</b></u>	<u><b>4,501.10</b></u>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**12. Fixed assets**

Description of Assets	GROSS BLOCK (at cost)						DEPRECIATION / AMORTISATION						NET BLOCK			
	As at 31st March, 2015	Opening Adjustments [See Note 2C]	Additions during the year	Deductions during the year	Other Adjustments	Transferred to Asset Held for sale	As at 31st March, 2016	Opening Adjustments [See Note 2 (e)]	For the year	On deduction during the year	Other Adjustments [See Note 4E]	Transferred to Asset Held for sale	Upto 31st March, 2015	Upto 31st March, 2016	Impairment As at 31st March, 2016	As at 31st March, 2016
<b>A. Tangible assets</b>																
1 Land: Freehold	2,060.95 (556.46)	-	(73.17)	-	(1,577.66)	125.57	1,935.38 (2,060.95)	-	-	-	-	-	-	-	-	1,935.38 (2,060.95)
Leasehold	920.47 (920.47)	-	-	-	-	823.87	96.60 (920.47)	-	34.05 (35.75)	-	340.00	20.69 (326.64)	-	-	-	75.91 (593.83)
2 Leasehold Improvements	39.35 (39.35)	-	-	-	-	3392.59	39.35 (17,225.28)	-	8.50 (9.97)	-	-	30.69 (22.19)	-	-	-	8.66 (17.16)
3 Buildings (see Footnote 1 (and Note 37(b)))	17,225.28 (19,165.73)	(23.08) (-29.17)	2.88 (618.64)	171.12 (284.84)	(-1,577.48)	3,392.59	13,977.85 (17,225.28)	3.61 (-11.53)	474.70 (-1,327.45)	2.16 (190.39)	(31.59)	921.36	4,307.57 (4,752.78)	-	(0.16)	9,670.28 (12,472.50)
4 Plant and equipment: Owned (see Footnote 2)	18,157.59 (19,114.20)	(51.09) (92.55)	735.35 (2,767.98)	1,281.38 (1,718.82)	(0.40)	1,820.36	16,822.76 (18,157.59)	(57.40) (19.15)	1,056.54 (82.82)	353.74 (1,869.9)	(131.01)	749.38	10,819.18 (10,923.16)	-	(1.26)	6,003.58 (7,234.43)
Given on operating lease (see Note 37(c))	1,413.26 (513.65)	-	34.58 (899.65)	685.94 (899.65)	(0.04)	257.28	2,064.62 (1,413.26)	622.33 (110.05)	735.94 (512.32)	17.10 (0.04)	-	213.40	1,341.17 (622.33)	-	-	723.45 (790.93)
5 Furniture and fixtures	5,309.04 (5,135.46)	(33.50) (-14.19)	351.74 (738.07)	810.32 (663.84)	-	13.42	5,476.84 (5,309.04)	(9.69) (-22.03)	428.43 (296.37)	130.59 (142.37)	(24.50)	13.42	4,354.76 (4,280.01)	-	-	1,122.08 (1,029.03)
6 Vehicles	5,228.41 (4,674.89)	-	(470.44)	1,048.09 (1,023.96)	-	504.60	5,181.44 (5,228.41)	0.13 (1.26)	308.22 (-4.07)	42.67 (64.65)	(310.21)	397.58	1,331.56 (1,463.46)	-	(0.38)	420.85 (432.98)
7 Office equipment Owned	1,896.44 (1,800.74)	0.23 (1.26)	51.79 (74.48)	412.13 (169.10)	(-0.18)	4.79	1,752.41 (1,896.44)	1.19 (76.18)	1.02 (44.71)	50.90 (1.53)	-	4.79	64.69 (119.36)	-	-	(1.02)
Taken on finance lease (see Note 37(e))	4,962.38 (4,525.00)	2.34 (6.59)	163.25 (153.15)	442.57 (583.94)	-	86.20	5,157.84 (4,962.38)	1.41 (5.69)	498.19 (241.10)	160.95 (150.31)	(126.41)	80.15	4,014.70 (3,756.20)	-	-	1,139.28 (1,206.18)
8 Computers Owned	1,30.31 (46.39)	-	93.83 (83.92)	224.14 (130.31)	-	51,103.04	33.15 (130.31)	(23.88) (9.27)	32.45 (9.27)	32.45 (23.88)	-	-	65.60 (33.15)	-	-	158.54 (97.16)
On Lease	51,103.04 (12,448.43)	(51,548.96)	(12,887.24)	51,103.04 (51,103.04)	-	7,037.68	12,442.13 (12,442.13)	(11,374.47) (2,606.90)	2,023.70 (1,012.32)	(2,551.56)	-	2,720.08	14,465.83 (12,442.13)	-	-	31,815.87 (33,839.57)
9 Shipping Vessels	108,566.90 (69,055.82)	(105.10) (51,606.00)	2,472.13 (17,224.99)	4,945.38 (5,130.07)	(0.40) (0.00)	7,037.68	103,896.97 (108,566.90)	(61.93) (11,367.01)	6,518.23 (1,068.00)	1,631.68 (5,317.28)	(1,125.20)	-	43,785.01 (41,680.47)	-	-	55,286.77 (62,065.09)
Previous Year																
<b>B. Intangible assets</b>																
1 Intellectual Property / (Distribution Rights)	449.88 (449.88)	-	-	-	-	-	449.88 (449.88)	-	-	-	-	-	322.52 (322.52)	-	-	-
2 Computer software Acquired	2,167.82 (1,964.91)	3.48 (3.85)	153.63 (237.08)	0.57 (58.02)	0.00	111.60	2,212.76 (2,167.82)	2.76 (2.61)	152.24 (218.85)	0.57 (48.96)	-	101.90	1,918.22 (1,865.69)	-	-	287.44 (302.13)
Internally generated	290.48 (290.48)	-	845.05	1,135.53 (290.48)	-	111.60	1,135.53 (290.48)	-	184.31	-	-	398.01	398.01 (213.70)	-	-	737.52 (76.78)
3 Brand Patent and License Fees	3,846.18 (3,847.80)	(42.55) (8.14)	18.75 (41.39)	3,828.28 (3,846.18)	-	111.60	3,828.28 (3,846.18)	5.77 (0.68)	187.09 (189.15)	-	-	-	3,293.38 (3,100.52)	-	-	529.00 (745.67)
4 Capitalised Development Expenditure (Internally Generated)	6,750.90 (6,148.43)	627.42 (99.74)	751.47 (506.80)	8,129.79 (6,750.90)	(4.07)	111.60	5,576.53 (6,750.90)	508.43 (80.06)	486.65 (643.29)	0	-	101.90	6,571.61 (5,576.53)	-	-	1,558.18 (1,174.37)
Previous Year	13,905.26 (12,701.50)	(111.73)	(113.24)	1,768.90 (805.27)	-	111.60	15,750.34 (13,505.26)	(83.35)	1,010.29 (1,093.98)	0.57 (80.00)	-	101.90	12,403.74 (11,078.96)	-	-	3,112.14 (2,298.95)

Footnotes:  
1 Buildings (Cost) include: (i) Residential flats and office premises ₹ 69.54 Lakhs (Previous year: ₹ 69.54 Lakhs) in respect of which Co-operative societies are yet to be formed; (ii) Shares in Co-operative Housing societies, Association of apartment owners and in a company ₹ 0.17 Lakh (Previous year: ₹ 0.17 Lakh); (iii) Premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land ₹ 28.66 Lakhs (Previous year: ₹ 28.66 Lakhs); and (iv) Jointly owned Residential Premises ₹ 28.39 Lakhs (Previous year: ₹ 28.39 Lakhs).  
2 Plant and equipment (Owned) include jointly owned assets ₹ 19.24 Lakhs (Previous year: ₹ 19.24 Lakhs).  
3 Figures in italics are in respect of previous year.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>13. Non - current investments</b>					
<b>Trade Investments</b>					
<b>(a) Investments in Associates (Unquoted) [see Note 2B (xii)]</b>					
Cost of investments (Including adjustment on account of foreign currency translation)	32.54	210.30			
Add: Adjustment for post acquisition share of profit (net) of Associates (Equity Method)	(32.54)	(210.30)			
Net Carrying Value	-	-			
<b>Non Trade Investments</b>					
<b>(b) Investments in other entities (at cost)</b>					
<b>(i) Quoted Equity Shares</b>					
8,913 (Previous year: 8,913) equity shares of ₹ 10 each fully paid up in Reliance Power Limited [At cost less provision for other than temporary diminution in value ₹ 20.66 Lakhs (Previous year: ₹ 20.03 Lakhs)]	4.40	5.04			
2,49,600 (Previous year: 2,49,600) equity shares of ₹ 10 each fully paid up in SPS Finquest Ltd.	187.20	187.20			
<b>(ii) Unquoted - Equity Shares</b>					
5,500 (Previous year: 5,500) equity shares of ₹ 10 each in New India Co-operative Bank Limited	0.55	0.55			
10 (Previous year: 10) equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [At cost less provision for other than temporary diminution in value ₹ 0.05 Lakhs (Previous year: ₹ 0.05 Lakhs)]	-	-			
1,000 (Previous year: 1,000) Equity Shares of ₹ 10 each in Simar Port Private Limited	0.10	0.10			
7,143 (previous year 7,143) equity shares of ₹ 10/- fully paid up in Water Quality Association.	0.71	0.71			
16,66,666.67 (Previous Year 10,00,000) Series C Preferred Units of USD 0.15 each in DXV Water Technologies LLC	165.32	95.39			
250 (Previous Year: 250) equity shares of ₹ 10 each in Carmel Properties Pvt Ltd	0.03	0.03			
17,69,430 equity shares of ₹ 10 each in The Svadeshi Mills Company Ltd. [At cost less provision for other than temporary diminution in value ₹177.75 Lakhs ]	-	-			
378 (previous year NIL) equity shares of ₹ 10/- fully paid up in Kasiak Research Private Ltd.	124.74	-			
1,465 (previous year NIL) equity shares of ₹ 10/- fully paid up in Idea Bubble Consulting Services Pvt. Ltd.	58.97	-			
	350.42	96.78			
			- Debentures		
			3,089 (Previous Year : 3,089) irredeemable debentures of ₹ 100 each in Carmel Properties Pvt Limited	3.89	3.89
			<b>(c) Other Investments (at cost )</b>		
			Property -Land	21.90	21.90
			Less: Provision for Diminution of Value of Land	10.21	10.21
				11.69	11.69
				557.60	304.60
			Footnotes:		
			1. Aggregate amount of unquoted investments (net)	366.00	112.36
			2. Aggregate amount of quoted investments (net)	191.60	192.24
			3. Market value of quoted Investments	249.01	209.71
			<b>14. Long-term loans and advances (unsecured, considered good unless otherwise stated)</b>		
			<b>(a) Capital advances</b>	734.49	600.95
			<b>(b) Security deposits</b>		
			(i) Unsecured, considered good	2,104.20	2,150.06
			(ii) Doubtful	9.80	9.80
				2,114.00	2,159.86
			Less: Provision for doubtful deposits	9.80	9.80
				2,104.20	2,150.06
			<b>(c) Loans and advances to related parties (see Note 36)</b>		
			(i) Secured, considered doubtful	-	4,716.78
			(ii) Unsecured, considered doubtful	-	76.14
				-	4,792.92
			Less: Provision for doubtful loans and advances	-	4,792.92
				-	-
			<b>(d) Loans and advances to employees</b>	68.78	97.48
			<b>(e) Prepaid expenses</b>	169.04	125.95
			<b>(f) Contractually reimbursable expenses [see note 31 (h)]</b>	681.59	681.59
			<b>(g) Advance income tax including fringe benefit tax (net of provisions)</b>	8,476.99	6,871.18
			<b>(h) MAT credit entitlement</b>	2.48	149.80
			<b>(i) Advance wealth tax (net of provisions)</b>	59.24	59.24
			<b>(j) Balances with statutory / government authorities</b>		
			(i) Unsecured, considered good	2,406.71	1,981.03
			(ii) Doubtful	46.69	46.69
				2,453.41	2,027.72
			Less: Provision for doubtful balances	46.69	46.69
				2,406.71	1,981.03
			<b>(k) Others</b>		
			(i) Unsecured, considered good	3,737.74	3,997.19
			(ii) Secured, considered doubtful	4,391.78	-
				8,129.52	3,997.19
			Less: Provision for doubtful deposits	4,391.78	-
				3,737.74	3,997.19
				18,441.26	16,714.47

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>15. Other Non Current assets</b> (unsecured, considered good unless otherwise stated)			<b>17. Inventories (valued at lower of cost and net realizable value)</b>		
(a) Long - term trade receivables: (including trade receivables on deferred credit terms)			(a) Raw materials and components	5,887.83	5,196.94
(i) Considered good	18,685.84	15,010.37	Goods in transit	1,321.33	1,296.10
(ii) Considered doubtful	117.55	145.87	Raw materials and components		7,209.16
	18,803.39	15,156.24	(b) Work-in-progress		496.71
Less: Provision for doubtful trade receivables	117.55	145.87	(c) Finished goods		1,290.35
	18,685.84	15,010.37	(d) Stock-in-trade (in respect of goods acquired for trading)	24,140.98	22,723.78
(b) Balances held as margin money and in long term deposit with bank (Refer note below)	1,482.51	1,103.68	Goods in Transit	1,978.07	1,519.64
(c) Interest accrued	172.08	128.08		26,119.05	24,243.42
(d) Others	168.05	352.57	(e) Stores, spares and loose tools		186.04
	20,508.48	16,594.70	(f) Real estate development work-in-progress	1,524.46	1,043.30
				36,825.77	33,820.19
<b>Footnote:</b>			<b>18. Trade receivables</b>		
(a) Long term deposit with bank includes amount deposited with Axis Bank ₹ 1032.76 lakhs (Previous year ₹ 824.85 lakhs) under the Debt Service Reserve to be maintained as a part of the loan agreement with the Bank. The said deposit is marked under lien with the Bank.			(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment:		
<b>16. Current Investments</b>			(i) Unsecured, considered good	13,459.94	10,709.34
a) Quoted Equity Shares: Investments in Equity Instruments	9.48	11.71	(ii) Doubtful	3,692.69	2,745.39
b) Mutual Funds (Unquoted) Investments in Mutual Funds	223.06	2,330.36		17,152.63	13,454.73
	232.54	2,342.07	Less: Provision for doubtful trade receivables	3,692.69	2,745.39
				13,459.94	10,709.34
<b>Footnotes:</b>			(b) Other trade receivables:		
1) Aggregate value of unquoted investments (net)	223.06	2,330.39	(i) Unsecured, considered good	48,794.15	47,921.61
2) Aggregate amount of quoted investments (net)	9.48	11.71	(ii) Doubtful	2,990.78	3,468.92
3) Aggregate market value of quoted investments	9.48	11.71		51,784.92	51,390.53
			Less: Provision for doubtful trade receivables	2,990.78	3,468.92
				48,794.15	47,921.61
				62,254.09	58,630.95

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	As at 31st March, 2016	As at 31st March, 2015		As at 31st March, 2016	As at 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>19. Cash and cash equivalents</b>					
<b>(a) Cash and Cash Equivalents (As per AS 3 Cash Flow Statements)</b>					
1. Cash on hand	273.19	223.99			
2. Cheques, drafts on hand	1,123.89	1,971.06			
3. Balances with banks:					
(A) In current accounts	15,353.98	14,991.48			
(B) In deposit accounts (with original maturity upto 3 months)	757.50	50.00			
	<u>16,111.48</u>	<u>15,041.48</u>			
	<u>17,508.56</u>	<u>17,236.53</u>			
<b>(b) Other bank balances</b>					
1. In Earmarked Accounts:					
- Unclaimed dividends	-	2.36			
2. (A) In deposit accounts with balance maturity of more than 3 months but less than 12 months	1,248.10	1,221.27			
(B) Balances held as margin money with original maturity of more than 3 months but less than 12 months	90.12	206.60			
	<u>1,338.22</u>	<u>1,427.87</u>			
	<u>18,846.78</u>	<u>18,666.76</u>			
<b>20. Short-term loans and advances</b> (unsecured, considered good unless otherwise stated)					
(a) Loans and advances to related parties (see Note 36) Unsecured, considered good	13.99	66.97			
(b) Security deposits	1,339.46	1,049.06			
(c) Loans and advances to employees					
(i) Unsecured, considered good	61.79	71.22			
(ii) Doubtful	2.40	0.82			
	<u>64.19</u>	<u>72.04</u>			
Less: Provision for doubtful loans and advances	2.40	0.82			
	<u>61.79</u>	<u>71.22</u>			
(d) Prepaid expenses	1,509.64	1,594.89			
(e) Balances with statutory / government authorities	1,714.18	1,541.30			
(f) Advances for supply of goods and services					
(i) Unsecured, considered good	923.95	898.88			
(ii) Doubtful	22.29	15.91			
	<u>946.24</u>	<u>914.79</u>			
Less: Provision for doubtful advances	22.29	15.91			
	<u>923.95</u>	<u>898.88</u>			
(g) Other Loans and Advances					
(i) Secured, considered good (See note 53)	364.99	-			
(ii) Unsecured, considered good	4,025.03	3,149.68			
	<u>4,390.02</u>	<u>3,149.68</u>			
	<u>9,953.03</u>	<u>8,372.00</u>			
<b>21. Other current assets</b> (unsecured, considered good unless otherwise stated)					
(a) Unbilled revenue	5,230.26	4,340.00			
(b) Accruals:					
(i) Interest accrued on deposits with bank	11.11	35.78			
(ii) Interest accrued on investments	0.02	0.03			
(iii) Interest accrued on loans and advances (see note 53)	652.05	7.89			
(c) Others:					
(i) Contractually reimbursable expenses					
(I) Unsecured, considered good	448.44	510.67			
(II) Doubtful	-	6.62			
	<u>448.44</u>	<u>517.29</u>			
Less: Provision for doubtful debts	-	6.62			
	<u>448.44</u>	<u>510.67</u>			
(ii) Contractually reimbursable expenses from related parties (see note 36) Unsecured, considered good	12.83	-			
(iii) Export Incentives	90.30	117.25			
(iv) Fixed assets held for sale (see note 12)	4,327.30	-			
(v) Other receivables	22.31	145.96			
	<u>10,794.62</u>	<u>5,157.58</u>			

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31st March, 2016	Year ended 31st March, 2015		Year ended 31st March, 2016	Year ended 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>22. Revenue from operations (gross)</b>					
(a) Sale of products:			(b) Dividend income:		
(i) Manufacturing Goods	29,483.53	28,751.78	(i) from long term investments	0.06	0.06
(ii) Traded Goods	209,723.55	192,589.69	(ii) from current investments	143.08	156.79
Total	<u>239,207.08</u>	<u>221,341.47</u>		<u>143.14</u>	<u>156.85</u>
(b) Sale of services			(c) Net gain on sale of current investments	19.69	239.40
(i) Charter hire income	62,731.27	53,335.18	(d) Net gain on foreign currency transactions and translation (other than considered as finance costs)	1,966.65	2,284.67
(ii) Ground rent from container freight stations maintained by the Company	574.27	982.98	(e) Other non-operating income		
(iii) Multimodal transport operations and allied services	17,761.07	27,586.51	(i) Profit on sale of fixed assets	233.27	115.22
(iv) Maintenance services	47,767.48	44,127.66	(ii) Credit balances / excess provision written back	1,215.17	317.83
(v) Transaction charges	493.39	654.92	(iii) Provision for diminution in the value of investments, no longer required written back	-	0.13
(vi) Commission income	4,974.11	5,304.06	(iv) Rent income	691.54	789.86
(vii) Processing Charges	-	175.83	(v) Miscellaneous income	660.68	1,234.50
(viii) Others	2,882.41	129.26		<u>2,800.66</u>	<u>2,457.54</u>
	<u>137,184.00</u>	<u>132,296.40</u>		<u>5,145.53</u>	<u>5,735.85</u>
(c) Other operating revenues:			<b>24. Cost of materials consumed</b>		
(i) Rent and amenity charges on leased properties	1,485.17	872.96	Opening stock of raw materials and components	6,493.04	7,383.44
(ii) Rental income from leased data processing equipment [see Note 37(c)]	237.26	96.88	Add: Purchases	73,215.80	64,573.20
(iii) Interest on Instalments and other penal charges recovered	4,358.98	2,273.74		<u>79,708.84</u>	<u>71,956.64</u>
(iv) Export Incentives	23.10	56.88	Less: Closing stock of raw materials and components	7,209.16	6,493.04
(v) Others	785.51	626.25		<u>72,499.68</u>	<u>65,463.60</u>
	<u>6,890.02</u>	<u>3,926.71</u>			
	<u>383,281.10</u>	<u>357,564.58</u>			
<b>23. Other income</b>					
(a) Interest income			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.		
(i) on long-term investments	3.21	1.98			
(ii) on bank deposits	132.89	394.61			
(iii) on inter corporate deposits	61.98	58.07			
(iv) from customers and others	14.08	13.25			
(v) Others					
- Income tax refund	3.23	129.48			
	<u>215.39</u>	<u>597.39</u>			



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31st March, 2016	Year ended 31st March, 2015		Year ended 31st March, 2016	Year ended 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>25. Changes in inventories of finished goods, work-in-progress and stock-in-trade</b>			<b>29. Other expenses</b>		
(a) Inventories at the end of the year:			Consumption of stores and spare parts	5,969.18	2,740.65
(i) Finished goods	1,290.35	1,204.71	Increase / (Decrease) on excise duty on inventory	28.18	(17.04)
(ii) Work-in-progress	496.71	610.21	Processing charges	1,134.18	1,255.93
(iii) Stock-in-trade	26,119.05	24,243.42	Power and fuel	1,447.26	1,552.41
(iv) Real estate development work in progress	1,524.46	1,043.30	Operating costs for shipping and logistics division		
	29,430.57	27,101.64	(i) Equipment & Charter hire charges	45,691.53	41,710.50
(b) Inventories at the beginning of the year:			(ii) Transportation, freight, handling and other charges	14,665.33	23,849.35
(i) Finished goods	1,204.71	1,337.90	(iii) Victualing cost	87.46	163.58
(ii) Work-in-progress	610.21	700.04	(iv) Crew and other related expenses	373.77	273.69
(iii) Stock-in-trade	24,243.42	26,620.84	(v) Others	743.72	175.51
(iv) Real estate development work in progress	1,043.30	177.79		61,561.81	66,172.63
	27,101.64	28,836.57	Rent and hire charges	3,963.10	3,987.64
Net (Increase) / Decrease	<u>(2,328.93)</u>	<u>1,734.93</u>	Repairs to		
<b>26. Employee benefits expense</b>			(i) Buildings	570.95	355.02
(a) Salaries and wages	66,459.23	59,768.74	(ii) Machinery	1,654.73	1,607.20
(b) Contribution to provident and other funds	2,472.47	2,167.35	(iii) Others	1,638.53	1,871.79
(c) Pension Liabilities charged / (written back) (refer Note 43)	229.47	(1,417.76)		3,864.21	3,834.01
(d) Staff welfare expense	1,422.55	1,210.83	Insurance	924.26	782.27
	<u>70,583.72</u>	<u>61,729.16</u>	Rates and taxes (excluding taxes on income)	2,016.33	1,775.98
<b>27. Finance costs</b>			Brokerage, commission, discount and other selling expenses	18,604.69	15,661.19
(a) Interest expense on			Printing and Stationery	584.98	785.47
(i) Borrowings	7,673.26	7,740.25	Communication	1,856.58	1,601.68
(ii) Finance Lease	159.30	-	Advertisement	8,010.93	6,971.27
(ii) Trade payables	32.82	24.56	Legal and professional charges	3,036.82	3,285.39
(iii) Delayed payment of taxes	46.82	20.19	Travelling and conveyance	3,962.23	3,240.16
Less: Interest capitalized during the year	(722.17)	(481.24)	Payments to the auditor (net of service tax input credit, where applicable):		
	7,190.03	7,303.76	(a) To Statutory Auditors		
(b) Other borrowing costs	818.56	1,188.82	(i) For audit	260.12	240.24
(c) Net loss on foreign currency transactions and translation (considered to be as finance cost)	1,782.36	627.00	(ii) For taxation matters	31.52	25.38
	<u>9,790.95</u>	<u>9,119.58</u>	(iii) For company law matters	0.45	0.35
<b>28. Depreciation and amortisation expense</b>			(iv) For other services	39.37	22.64
(a) Depreciation of tangible assets (see Note 12A)	6,518.22	1,068.00	(v) For reimbursement of expenses	4.65	3.69
(b) Amortization of intangible assets (see Note 12B)	1,010.29	1,093.98		336.11	292.30
(c) Impairment of tangible assets (see Note 12A)	3.86	-	(b) To Cost Auditors for Cost Audit	2.60	2.50
(d) Impairment of intangible assets (see Note 12B)	7.10	-		338.71	294.80
(e) Less : Transferred to Real estate development work-in-progress	(1.13)	-	Bad trade receivables / advances written off	1,479.94	1,634.15
	<u>7,538.34</u>	<u>2,161.98</u>	Less: Provision held	28.54	68.11
				1,451.40	1,566.04

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

	Year ended 31st March, 2016	Year ended 31st March, 2015		Year ended 31st March, 2016	Year ended 31st March, 2015
	₹ in Lakhs	₹ in Lakhs		₹ in Lakhs	₹ in Lakhs
<b>29. Other expenses (contd...)</b>			<b>31. Contingent liabilities:</b>		
Service Charges	18,628.32	17,188.37	<b>(a) Claims against the Company not acknowledged as debts</b>		
Managed Assets Service			<b>1 Taxes in dispute:-</b>		
Provider's (MASP) charges	733.77	730.31	(i) Excise demand	6,765.63	6,579.53
Other Establishment Expenses	5,544.42	4,789.62	(ii) Sales tax	13,166.34	6,447.28
Freight and forwarding charges	5,785.24	4,699.44	(iii) Income-tax	3,364.72	5,544.17
Royalty expenses	-	17.18	(iv) Service-tax	809.88	787.48
Outsourced Contract expenses	2,042.16	1,587.52	(v) Entry-tax	76.90	76.90
Real estate development expenses*	481.16	865.51	(vi) Customs duty	2.00	2.00
Vehicle expenses and maintenance	1,810.43	2,423.04	(vii) Wealth tax	409.86	14.95
Information technology expenses	2,769.33	2,683.83	(viii) Property tax	451.61	451.61
Conference expenses	1,317.57	1,568.41	(ix) Maharashtra Cess Act	Not Assessed	Not Assessed
Mobilisation expenses	2,317.33	2,050.40	2 Labour matters in dispute	17.07	9.00
Provision for doubtful trade receivables / loans and advances	190.44	934.96	3 Claim of Madhya Gujarat Vij Co. Ltd. for alleged diversion of fraction of the power consumed	188.29	188.29
Provision for diminution in the value of investments	2.86	0.10	4 Other legal matters	4,342.59	3,093.18
Expenditure towards Corporate Social Responsibility (CSR Activities)	216.62	178.87	<b>(b) Guarantees</b>		
Provision for diminution in the value of Land	-	10.21	(i) Guarantees given on behalf of Shipping Principals and Surety Bonds jointly executed with third parties in favour of customs and other parties	12,414.61	12,404.50
Miscellaneous expenses	2,155.23	2,062.86	(ii) Mortgage of land	-	13.00
	<u>162,749.73</u>	<u>157,281.11</u>	(iii) Lux Group has issued a Guarantee Declaration towards Commerzbank, Germany, in favour of Lux Germany. The bank established a credit facility of TEUR 200 (₹ 144.24 lakhs) which can be used for granting bank guarantees towards landlords (security for rented office facilities). As of 31st December 2015, guarantees amounting to TEUR 126 (₹ 90.87 lakhs) have been issued.		
* Real estate development expenses -			(c) In respect of a subsidiary namely, Eureka Forbes Limited (EFL), in the year 2009, the subsidiary had entered into a five year tenure agreement with IBM India Private Limited (IBM) for outsourcing of the EFL's Information Technology infrastructure and Business transformation requirements. The desired benefits as laid down under the agreement were not being derived by the EFL even after completion of three years of the arrangement with IBM. Disputes have therefore arisen and the agreement has been terminated. IBM has raised a claim of ₹ 7,500 lakhs on the subsidiary & the subsidiary has raised a counter claim of ₹ 26,150.42 lakhs on IBM. The matter has been referred for Arbitration, the arbitration proceedings have commenced in the financial year 2012-13 and the matter is sub-judice. In the opinion of the management, considering the claim of the EFL against claim by IBM, liability provision is not required in the books of account.		
i) Material and Contractual Payments	91.88	5.83	(d) Forbes Facility Services Pvt. Ltd. had entered into an agreement with G B Pant Hospital for providing the Sanitary House Keeping Services at their Hospital. There is a dispute regarding minimum wages payable by G B Pant to the subsidiary, as a result of which an amount of ₹ 315.21 Lakhs has been with held by G B Pant. This		
ii) Professional & Technical Consultancy Fees	77.03	109.26			
iii) Project Management Consultancy Fees	99.28	-			
iv) Fees-filing with Statutory Authorities	197.48	750.42			
v) Other Costs	15.49	-			
	<u>481.16</u>	<u>865.51</u>			
<b>30. Exceptional items - (Expense)</b>					
(a) Income on settlement of dues	46.97	-			
(b) Interest on dues from part settlement of Coromadel Garments Limited, a company under liquidation (see note 53)	652.05	-			
(c) Arrears of Rental Income	1,172.05	-			
(d) Gain on cessation of joint venture interest in a jointly controlled entity [see Note 2 B (ix) (2)]	183.78	167.23			
(e) Gain on Cessation of Subsidiary	-	62.68			
(f) Impairment of goodwill on consolidation	(4,145.20)	(1,159.23)			
(g) Termination benefits and one time settlement with employees	-	(80.57)			
	<u>(2,090.35)</u>	<u>(1,009.89)</u>			

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

matter has been referred for arbitration. Based on legal advice received by the subsidiary, the management is of the opinion that no provision is required for the above amount.

- (e) Civil suit has been filed by vendors against Aquamall water Solutions Ltd for ₹ 33.73 lakhs and matter is subjudice. In the opinion of the Management provision is not required in the books of accounts.
- (f) Forbes Container Line Pte. Ltd (FCLPL), a subsidiary of the Group received orders of tax assessment (the "Orders") from the Income Tax Authority of India ("ITAI") in respect of the presumptive taxation imposed on FCLPL's income receipt from shipping business in India in relation to financial years ended 31 March 2009 to 2012. Based on the Orders, a total income tax imposed of 7.5% of income received by FCLPL for the respective financial years including penalty is approximately US\$ 4.9 lakhs (equivalent to ₹ 365 lakhs). The applicable income tax rate is 40%.

ITAI assesses FCLPL as a non-vessel operating common carrier receiving income from its shipping business in India. Further, FCLPL is also considered to have a permanent establishment (PE) in India, due to FCLPL being a wholly owned subsidiary of the Forbes & Company Limited, a company incorporated in India. Further, the ultimate management and control of the FCLPL's business is in India. Accordingly, FCLPL is not eligible for claimed exemption benefit under the double tax agreement between India and Singapore and income receipts in India are taxable in India. FCLPL has filed an objection and made an appeal for these tax assessments, and a hearing and/or rehearing have been arranged with ITAI.

The objection filed by FCLPL has been passed in favour of FCLPL on the pronouncement by the Income Tax Appellate Tribunal ("ITAT") dated 11th March, 2016. The ITAI has an option of an appeal to the Court and was given 120 days to lodge the appeal from the receipt of the ITAT order. As at the reporting date, FCLPL has not received a notice that an appeal was made by ITAI.

During the current financial year, FCLPL recognised the taxes amounting to US\$ 0.53 lakhs (equivalent to ₹ 34.93 lakhs) [2015: US\$ 0.24 lakhs] (equivalent to ₹ 15.03 lakhs) in relation to the Orders in Consolidated Statement of Profit & Loss. As at 31 March 2016, FCLPL paid tax installments of US \$ 0.77 lakhs (equivalent to ₹ 50.56 lakhs) [2015: US \$ 0.24 lakhs] (equivalent to ₹ 15.03 lakhs) which are included in Long-term loans and advances as disclosed in Note 14.

- (g) Short-term loans and advances (refer note 20) includes an amount of ₹ 42.85 lakhs (*Previous Year ₹ 42.85 lakhs*) relating to Bank Guarantee invoked and encashed by Indian Railways. EFL has been legally advised that the matter being under arbitration and likely to succeed, no provision is necessary to be made in the books of accounts.
- (h) In case of Forbes Bumi Armada Offshore Limited (FBAOL), ONGC had deducted in 2014 ₹ 2,412.97 Lakhs towards diesel provided by them during the mobilization phase of FPSO. FBAOL has contested this claim and as per the terms of contract the matter is currently being pursued by "Outside Expert Committee" appointed as per the terms of the contract. During the previous year against the said claim, the Company has received ₹ 455.50 Lakhs

Further, FBAOL has entered into an agreement dated January 15, 2014 with Armada D1 Pte. Limited (ADPL) wherein partially the said claim is reimbursable from them in case FBAOL has to incur

the diesel cost. Considering the probability of claim being accepted and principle of prudence, FBAOL has provided for the said amounts. Consequentially,

- i) The Consolidated Statement of Profit and Loss includes a net charge of ₹ Nil (*Previous year ₹ 113.67 Lakhs*) in note 29 (Net of reimbursable amount of ₹ 681.59 Lakhs from ADPL).
- ii) The gross provision of ₹ 1,957.26 Lakhs made has been disclosed as "Provision for doubtful trade receivables" in note 18.
- iii) The gross amount recoverable from ADPL has been disclosed as "Contractually reimbursable expenses" in note 14(f).

(i) **Agreement with Raffles Lease Pte. Ltd. (the "Claimant")**

By a Notice of SIAC (Singapore International Arbitration Centre) Arbitration ("Notice of Arbitration") dated 3rd March, 2016, the Claimant initiated arbitration proceedings against Forbes Container Line Pte. Ltd (FCLPL). The dispute relates to the General Terms and Conditions Agreement ("GTC Agreement") entered into by the Claimant with FCLPL dated 1st August, 2014 and the Lease Addendum dated 1st August, 2014 (the "Addendum") (collectively known as the Finance Lease Agreement, the "Lease"). The Claimant agreed to lease to the FCLPL 200 "20ft dry van" containers (the "Containers") for a lease period of 5 years expiring on 30th September 2019 with an option to purchase the containers at the end of the lease period.

The Claimant claims against FCLPL a total sum of US\$ 0.42 lakhs (equivalent to ₹ 27.58 lakhs) comprising rental in arrears, accrued contractual interest on rental in arrears and rental payable under the Lease from 1st March 2016 to 30th September 2019.

The Claimant also claims all future legal costs incurred on a full indemnity basis and seeks, at FCLPL's expense, the redelivery of the Containers in good order and condition. The outcome is still pending as of the reporting date.

FCLPL accounted for the lease arrangement with the Claimant as a finance lease. As at 31st March 2016, the total lease payable to the Claimant of US\$ 4.11 lakhs (equivalent to ₹ 269.86 lakhs) was included in other current liabilities (refer note 10).

(j) **Agreement with Blue Sky Intermodal (UK) Limited (the "Plaintiff")**

A Writ of Summons in the High Court of the Republic of Singapore dated 16th March, 2016 has been issued against FCLPL, the claim relates to the breach of lease agreement. The claims against FCLPL is a total sum of US\$ 7 lakhs (₹ 441 lakhs) for the loss and damages suffered comprising the outstanding rental invoice for December 2015, future rental income from 30th December, 2015 to 30th September, 2020 and handling fees, of which US\$ 1 lakhs (₹ 37 lakhs) is accrued in the books of accounts as at 31st March, 2016.

The outcome of the above matter is pending as at the reporting date. The management of FCLPL is in the process of reviewing and taking necessary steps.

(k) **Share in contingent liability of associate :**

The Contingent Liabilities as on 31st March, 2016 in case of Nuevo Consultancy Services Limited is ₹ Nil (*Previous year ₹ 103.01 Lakhs*)

**Note:**  
In respect of items mentioned above, till the matters are finally decided, the timing of outflow of economic benefits cannot be ascertained.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 32. Capital and other commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 1,223.74 Lakhs (*Previous year: ₹ 542.59 Lakhs*;) [net of advance paid aggregating ₹ 689.56 Lakhs; (*Previous year: ₹ 249.59 Lakhs*)]
- (b) For Service performance ₹ 487.63 Lakhs (*Previous Year ₹ 616.83 Lakhs*)
- (c) For Product performance ₹ 1197.14 Lakhs (*Previous Year ₹ 1647.37 Lakhs*)
- (d) For commitments relating to lease arrangements, please see note 37(a) and for derivative contracts, see Note 40A

### 33. 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 1st April, 2015	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31st March, 2016
Provision for warranty	1,429.93	1,221.97	(908.62)	(231.53)	1,511.75
	<i>1,342.88</i>	<i>1,180.12</i>	<i>(929.42)</i>	<i>(163.65)</i>	<i>1,429.93</i>
Provision for estimated losses on onerous contracts	274.00	39.71	(91.96)	(21.04)	200.71
	<i>324.50</i>	-	-	<i>(50.50)</i>	<i>274.00</i>
Provision for disputed statutory demands	465.22	505.00	(91.00)		879.22
	<i>366.38</i>	<i>100.00</i>	-	(1.16)	<i>465.22</i>
<b>Total</b>	<b>2,169.15</b>	<b>1,766.68</b>	<b>(1,091.58)</b>	<b>(252.57)</b>	<b>2,591.68</b>
<i>Previous Year</i>	<i>2,033.76</i>	<i>1,280.12</i>	<i>(929.42)</i>	<i>(215.31)</i>	<i>2,169.15</i>

Note: Figures in italics relate to the previous year

### 34. Employee benefits obligations

#### Defined-contribution plans:

The Group has recognised the following amounts in the consolidated statement of profit and loss in Note 26(b), "Contributions to provident and other funds":

Particulars	Year ended 31st March, 2016 ₹ in Lakhs	Year ended 31st March, 2015 ₹ in Lakhs
Provident fund	653.13	623.21
Superannuation fund	211.63	181.61
<b>Total contribution</b>	<b>864.76</b>	<b>804.82</b>

Details of defined benefit plans are as follows:

(₹ in Lakhs)

	31st March, 2016			31st March, 2015		
	Funded	Non funded		Funded	Non Funded	
	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)
Present value of commitments	2,520.91	197.33	376.95	2,240.32	134.09	433.41
Fair value of plan assets	2,357.52	-	-	2,093.00	-	-
<b>Net Liability in the balance sheet</b>	<b>163.39</b>	<b>197.33</b>	<b>376.95</b>	<b>147.32</b>	<b>134.09</b>	<b>433.41</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ in Lakhs)

	31st March, 2016			31st March, 2015		
	Funded	Non funded		Funded	Non Funded	
	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)	Gratuity	Gratuity	Others (Post Retirement medical and non compete fees)
<b>Defined benefit commitments:</b>						
<b>Opening balance as at 1<sup>st</sup> April</b>	2,240.32	134.09	433.41	2,107.12	98.00	401.68
Transfer from non-funded to funded	-	-	-	-	-	-
Acquisition / (Disposal) of Subsidiary	0.25	-	-	(13.75)	-	-
Interest expense	192.22	10.68	34.64	195.15	9.06	37.44
Current service cost	173.20	25.99	1.69	133.63	18.74	4.00
Past service cost	-	0.59	-	-	-	-
Paid benefits	(245.70)	(7.70)	(54.98)	(296.13)	(8.76)	(58.94)
Actuarial (gain) / loss	64.86	33.53	(37.81)	290.55	17.05	49.23
Currency Translation Adjustment	95.76	-	-	(176.25)	-	-
Adjustment based on Actuary valuation	-	0.15	-	-	-	-
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>2,520.91</b>	<b>197.33</b>	<b>376.95</b>	<b>2,240.32</b>	<b>134.09</b>	<b>433.41</b>

<b>Plan Assets</b>						
<b>Opening balance as at 1<sup>st</sup> April</b>	2,093.00	-	-	2,032.44	-	-
Acquisition of Subsidiary	0.25	-	-	(26.00)	-	-
Expected return on scheme assets	166.58	-	-	175.20	-	-
Contributions by the group	326.52	-	-	109.75	-	-
Paid funds	(241.36)	-	-	(296.13)	-	-
Actuarial gain / (loss)	12.53	-	-	97.74	-	-
<b>Closing balance as at 31st March</b>	<b>2,357.52</b>	-	-	<b>2,093.00</b>	-	-

<b>Return on Plan Assets</b>						
Expected return on plan assets	166.58	-	-	175.20	-	-
Actuarial gain / (loss)	12.53	-	-	97.74	-	-
Actual return on plan assets	<b>179.11</b>	-	-	<b>272.94</b>	-	-

<b>Expenses on defined benefit plan:</b>						
Current service costs	173.20	25.99	1.69	133.63	18.74	4.00
Past service cost	-	0.59	0.65	-	-	-
Interest expense	192.22	10.67	34.64	195.15	9.06	37.44
Expected return on investment	(166.58)	-	-	(175.20)	-	-
Net actuarial (gain) / loss	52.33	33.53	(37.81)	192.81	17.05	49.23
<b>Expenses charged to the Consolidated Statement of Profit and Loss</b>	<b>251.17</b>	<b>70.78</b>	<b>(0.83)</b>	<b>346.39</b>	<b>44.85</b>	<b>90.67</b>

<b>Investment details</b>	<b>31st March, 2016</b>	<b>31st March, 2015</b>
Funds managed by Insurer	<b>32.95%</b>	35.97%
Public Sector Unit Bonds	<b>0.00%</b>	0.00%
Private sector unit bonds	<b>31.47%</b>	39.99%
State/Central Guaranteed Securities	<b>17.24%</b>	17.20%
Special deposit schemes	<b>18.34%</b>	6.84%
Others (excluding Bank Balances)	<b>0.00%</b>	0.00%
	<b>100.00%</b>	100.00%



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

The actuarial calculations used to estimate defined benefit commitments for gratuity and expenses are based on the following assumptions which if changed, would affect the defined benefit commitment's size, funding requirements and expense.

	31st March, 2016	31st March, 2015
Rate for discounting liabilities	7.79% to 8.07%	7.75% to 8.03%
Expected salary increase rate	5% to 10%	3.50% to 10.00%
Expected return on scheme assets	8.04% to 8.07%	7.94% to 8.03%
Mortality rates	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

The expected return on plan assets is based on asset allocation and the market expectation, at the beginning of the period for returns over the entire life of the related obligation. These include changes in the fair value of the plan assets held during the period.

The actuarial calculations used to estimate defined benefit Medical quota entitled for Ex-Directors / their spouses are based on the following assumptions :

	31st March, 2016	31st March, 2015
Rate for discounting liabilities	8.06%	7.96%

### Experience adjustment:

#### Gratuity

(₹ in Lakhs)

	2015-16	2014-15	2013-14	2012-13	2011-12
Defined benefit obligation	2,520.91	2,240.32	2,062.63	2,135.08	1,834.04
Plan asset	2,357.52	2,093.00	2,032.44	1,836.37	1,488.41
Deficit in plan asset	163.39	147.32	30.19	298.71	345.63
Experience adjustment on plan assets (loss) / gain	12.53	97.74	16.78	5.49	11.66
Experience adjustment on plan liabilities loss / (gain)	86.02	115.22	26.38	159.12	50.56

The estimates of future salary increases, considered in the actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The aforesaid disclosures have been made to the extent information available in the individual financial statements of the Company and its subsidiaries/ joint ventures. Accordingly, the net liability in respect of gratuity and other post retirement benefits disclosed in Note 7 - Long-term provisions and Note 11 - Short-term provisions would not reconcile with the figures disclosed above.

#### Other Post Retirement Benefits

The information in respect of medical cost trend rates and the effect of an increase / decrease of 1% point in the assumed medical cost trend rates on current service cost, interest cost, accumulated post employment benefit cost and experience adjustment is not available; during the year, medical cost of ₹ 1.59 Lakhs (Previous year: ₹ 13.98 Lakhs) is recognized to the statement of profit and loss based on actuarial valuation.

The Company has charged amounts aggregating ₹ (6.46) Lakhs; (Previous year: ₹ 86.33 Lakhs) to the Consolidated Statement of Profit and Loss based on actuarial valuation [Present value of future obligation as at 31st March, 2016 ₹ 350.13 Lakhs; (Previous year: ₹ 411.57 Lakhs)] and paid ₹ 54.98 Lakhs (Previous year: ₹ 58.92 Lakhs), towards the post retirement arrangements to former Managing Directors and other Directors.

### 35. Segment reporting

The Group has identified business segments as its primary segment and geographical segments as its secondary segment. Business segments are primarily 'Engineering', 'Health & Hygiene', 'Shipping & Logistics Services', 'Real Estate', 'IT enabled services and Products', 'Energy Solution' and 'Others' which comprises of Education auxiliary services and other services. The Group caters to the needs of 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.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

## (a) Information about primary business segments for the year:

Particulars	Engineering		Health & Hygiene		Shipping and Logistics Services		Real Estate		IT enabled services & products		Energy Solution		Others		Total		Eliminations		Total			
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	
External segment revenue	13,956.89	14,723.31	245,406.15	223,218.40	83,896.32	82,062.94	872.96	872.96	34,360.87	31,637.26	2,744.10	2,070.64	-	-	381,291.55	354,603.51	-	-	381,291.55	354,603.51	-	-
Add: Inter segment revenue	-	3.13	109.27	20.30	5.64	7.51	140.25	140.25	-	54.54	2,744.10	2,070.64	-	-	255.16	381.16	(255.17)	(255.17)	381,291.55	354,603.51	(255.17)	(255.17)
Revenue from operations	13,956.89	14,726.44	243,805.42	223,238.70	83,901.96	82,070.45	2,797.47	1,168.65	34,360.87	31,711.80	2,744.10	2,070.64	-	-	381,546.71	354,986.68	(255.17)	(255.17)	381,291.55	354,603.51	(255.17)	(255.17)
Segment Results - Profit / (Loss) (including exceptional items related to segments)	1,581.97	1,356.27	9,483.96	13,923.35	(908.53)	1,208.99	2,063.48	312.08	(1,612.21)	931.60	231.68	280.85	28.61	(39.41)	10,868.96	18,193.73	-	-	10,868.96	18,193.73	-	-
Add: Unallocated income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404.96	993.75	-	-
Less: Unallocated expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,403.41)	(1,990.19)	-	-
Add: Exceptional items other than related to segments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	652.05	-	-	-
Profit before tax and finance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	731.61	8,077.71	-	-
Less: Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,643.39	3,976.75	-	-
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2.48)	(134.11)	-	-
Provision for taxation:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	283.51	409.92	-	-
Current tax expense for current year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39.93	140.61	-	-
MAT credit entitlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,232.74)	3,704.34	-	-
(Excess) / short provision for current tax relating to prior years	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,522.56	17,197.29	-	-
Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9,790.95)	(9,119.58)	-	-
(Loss)/Profit after tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	731.61	8,077.71	-	-
Capital employed	8,653.75	7,620.42	180,578.94	176,933.52	56,481.52	52,340.91	5,468.83	4,481.61	24,646.50	22,017.45	1,540.72	2,632.85	11.30	3.03	277,380.56	266,029.79	-	-	277,380.56	266,029.79	-	-
Segment assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,299.22	15,732.75	-	-
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	291,679.78	281,762.54	-	-
Total assets	8,653.75	7,620.42	180,578.94	176,933.52	56,481.52	52,340.91	5,468.83	4,481.61	24,646.50	22,017.45	1,540.72	2,632.85	11.30	3.03	277,380.56	266,029.79	-	-	277,380.56	266,029.79	-	-
Segment liabilities	3,766.16	2,753.39	88,254.04	85,988.25	16,772.49	11,715.21	3,618.95	1,483.25	7,344.01	5,961.82	536.25	1,108.46	3.38	3.04	120,295.28	109,013.42	-	-	120,295.28	109,013.42	-	-
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,109.90	17,730.91	-	-
Total liabilities	3,766.16	2,753.39	88,254.04	85,988.25	16,772.49	11,715.21	3,618.95	1,483.25	7,344.01	5,961.82	536.25	1,108.46	3.38	3.04	120,295.28	109,013.42	-	-	120,295.28	109,013.42	-	-
Capital employed	4,887.59	4,867.03	92,324.90	90,945.27	39,709.03	40,625.70	1,849.88	2,998.36	17,301.09	16,055.63	1,004.47	1,524.39	7.92	(0.01)	157,085.28	157,016.37	-	-	149,274.59	155,018.21	-	-
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	306.87	274.59	5,153.64	3,863.51	75.80	1,080.35	519.16	24.94	2,750.80	2,851.05	-	-	-	-	8,806.27	8,094.43	-	-	8,806.27	8,094.44	-	-
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56.47	32.44	-	-
Total capital expenditure	306.87	274.59	5,153.64	3,863.51	75.80	1,080.35	519.16	24.94	2,750.80	2,851.05	-	-	-	-	8,806.27	8,094.43	-	-	8,806.27	8,094.44	-	-
Segment depreciation / amortisation / Unallocated corporate depreciation / amortisation	339.63	371.61	3,868.14	(244.01)	2,695.47	1,562.38	102.70	(121.91)	476.72	300.71	9.25	10.47	-	-	7,491.91	2,079.25	-	-	7,491.91	2,079.25	-	-
Total depreciation / amortisation	339.63	371.61	3,868.14	(244.01)	2,695.47	1,562.38	102.70	(121.91)	476.72	300.71	9.25	10.47	-	-	7,491.91	2,079.25	-	-	7,491.91	2,079.25	-	-
Non-cash segment expenses other than depreciation / amortisation	136.85	22.23	(2,854.14)	(78.38)	37.54	941.35	3.74	-	169.50	22.53	-	0.10	-	-	(2,506.51)	907.83	-	-	(2,506.51)	907.83	-	-
Unallocated non-cash expenses other than depreciation / amortisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	277.26	(619.91)	-	-
Total non-cash expenses other than depreciation / amortisation	136.85	22.23	(2,854.14)	(78.38)	37.54	941.35	3.74	-	169.50	22.53	-	0.10	-	-	(2,506.51)	907.83	-	-	(2,506.51)	907.83	-	-

## (b) Information about geographical segment for the year

Particulars	Within India		Outside India		Unallocated		Total	
	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015	31st March, 2016	31st March, 2015
Revenue	313,986.18	280,024.06	67,305.37	74,581.45	-	-	381,291.55	354,603.51
Assets	125,975.64	111,426.51	151,404.92	154,603.28	14,299.22	15,732.75	291,679.78	281,762.54
Cost incurred to acquire segment assets	7,303.80	5,943.33	1,502.47	2,151.11	56.47	32.44	8,862.74	8,126.88

\*Includes ₹ 1,172 lakhs (Previous year: Nil) towards arrears of rental income classified as an exceptional item.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**36. (a) Related party disclosures**

**(A) Holding Company**

- 1 Shapoorji Pallonji & Company Private Limited

**(B) Fellow Subsidiaries (where there are transactions) :**

- 1 Afcons Infrastructure Limited  
 2 Forvol International Services Limited  
 3 Gokak Textiles Limited  
 4 HPCL Shapoorji Energy Pvt Ltd  
 5 Khvafar Property Developers Pvt. Ltd.  
 6 Lucrative Properties Pvt. Limited  
 7 Relationship Properties Pvt. Limited  
 8 Samalpatti Power Co. Pvt. Limited  
 9 Shapoorji Pallonji Infrastructure Capital Co. Limited  
 10 Shapoorji Pallonji Investment Advisors Pvt. Limited  
 11 Shapoorji Pallonji Energy (Gujarat) Pvt. Limited  
 12 Sterling and Wilson Private Limited  
 13 SP Architectural Coatings Pvt. Limited  
 14 S.D. Corporation Pvt. Ltd.  
 15 SP Fabricators Pvt. Limited  
 16 SP Armada Oil Exploration Pvt. Limited  
 17 Shapoorji Pallonji Oil & Gas Pvt Ltd  
 18 Shapoorji and Pallonji Rural Solutions Pvt Ltd  
 19 Sterling Motors

**(C) Associate Companies (where there are transactions):**

- 1 The Svadeshi Mills Company Limited  
 [see footnote 1 to Note 2 B (xii) ]  
 2 Coromandel Garments Limited (Subsidiary of The Svadeshi Mills Company Limited)  
 3 Nuevo Consultancy Services Limited

**(D) Joint Ventures (where there are transactions): \***

- 1 Edumetry Inc (upto 28th October, 2015)  
 2 Forbes Aquatech Limited  
 3 Forbes G4S Solutions Pvt. Ltd  
 4 Infinite Water Solutions Pvt. Limited  
 5 Aquaignis Technologies Pvt. Limited  
 6 Eurolife Regen Pvt Ltd (Joint Venture of Eureka Forbes Ltd.) (upto 1st April, 2015)  
 7 Nypro Forbes Products Limited (upto 23rd February, 2015)

**(E) Key Management Personnel:**

- 1 Managing Director of Forbes & Company Ltd., Mr. Ashok Barat.  
 2 Managing Director of Eureka Forbes Ltd., Mr. S.L. Goklaney.

\* Transactions with Joint Ventures have been disclosed excluding group's share

**36. Related party disclosures (contd.)**

**(b) Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:**

(₹ in Lakhs)

	Nature of Transaction	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Total
	<b>Purchases</b>						
1	Goods and Materials	-	-	-	5,869.17	-	5,869.17
		-	-	-	5,015.88	-	5,015.88
2	Fixed Assets	401.51	-	-	-	-	401.51
		-	-	-	0.55	-	0.55
	<b>Sales</b>						
3	Goods and Materials	289.83	205.52	-	266.37	-	761.72
		172.60	402.78	-	221.24	-	796.62
4	Services Rendered	0.98	2,920.92	-	-	-	2,921.90
		9.92	113.88	-	-	-	123.80
	<b>Expenses</b>						
5	Rent	-	9.11	-	-	5.49	14.60
		-	13.46	-	-	115.15	128.61
6	Travelling and conveyance expenses	-	139.53	-	-	-	139.53
		-	151.49	-	-	-	151.49
7	Legal and professional charges	-	-	99.23	-	-	99.23
		-	-	-	-	-	-
8	Transportation, freight, handling and other charges	-	7.66	-	-	-	7.66
		-	8.53	-	-	-	8.53
9	Interest Paid	-	60.51	-	-	-	60.51
		15.51	-	-	5.57	-	21.08
10	Real estate development expenses	65.08	-	-	-	-	65.08
		-	-	-	-	-	-
11	Provision for doubtful loans and advances	-	7.81	-	0.51	-	8.32
		-	-	-	-	-	-
12	Bad trade receivables / advances written off	-	-	-	-	-	-
		-	-	-	222.12	-	222.12
13	Miscellaneous expenses	-	18.60	-	46.40	-	65.00
		-	7.92	-	69.63	-	77.55

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**
**36. Related party disclosures (contd.)**

(₹ in Lakhs)

**(b) Details of related party transactions during the year ended 31st March, 2016 and balances outstanding as at 31st March, 2016:**

	Nature of Transaction	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Total
	<b>Income</b>						
14	Rent and Other Service Charges	<b>25.28</b>	<b>113.80</b>	-	<b>28.80</b>	-	<b>167.88</b>
		<i>35.61</i>	<i>60.54</i>	-	<i>26.38</i>	-	<i>122.53</i>
15	Interest Received	-	-	-	-	-	-
		-	-	-	<i>52.34</i>	-	<i>52.34</i>
16	Miscellaneous Income	<b>1.79</b>	<b>0.06</b>	-	<b>103.00</b>	-	<b>104.85</b>
		<i>0.59</i>	<i>0.52</i>	-	<i>1,687.98</i>	-	<i>1,689.09</i>
	<b>Other Receipts</b>						
17	Other Reimbursements	<b>0.06</b>	<b>23.78</b>	<b>46.92</b>	<b>35.58</b>	-	<b>106.34</b>
		-	<i>20.27</i>	<i>5.73</i>	<i>30.71</i>	-	<i>56.71</i>
	<b>Finance</b>						
18	Inter-corporate deposits given	<b>15.00</b>	-	-	<b>0.51</b>	-	<b>15.51</b>
		-	-	<i>14.50</i>	-	-	<i>14.50</i>
19	Inter-corporate deposits taken	-	<b>1,000.00</b>	-	-	-	<b>1,000.00</b>
		<i>200.00</i>	-	-	-	-	<i>200.00</i>
20	Repayment of deposits taken	-	<b>800.00</b>	-	-	-	<b>800.00</b>
		<i>275.00</i>	-	-	-	-	<i>275.00</i>
21	Repayment of deposits given	<b>15.00</b>	-	<b>5.73</b>	<b>30.00</b>	-	<b>50.73</b>
		-	-	-	<i>608.08</i>	-	<i>608.08</i>
22	Advances received from customer	<b>4.03</b>	-	-	-	-	<b>4.03</b>
		-	-	-	-	-	-
	<b>Outstandings</b>						
23	Trade Payables	<b>95.74</b>	<b>10.11</b>	<b>32.26</b>	<b>1,012.54</b>	-	<b>1,150.66</b>
		-	<i>21.69</i>	-	<i>628.46</i>	-	<i>650.16</i>
24	Interest Accrued	-	<b>1.94</b>	-	-	-	<b>1.94</b>
		-	-	-	<i>7.89</i>	-	<i>7.89</i>
25	Trade Receivables	<b>164.75</b>	<b>362.32</b>	-	<b>15.47</b>	-	<b>542.54</b>
		<i>44.59</i>	<i>387.05</i>	<i>20.15</i>	<i>51.29</i>	-	<i>503.08</i>
26	Long Term Loans and Advances	-	-	-	-	-	-
		-	-	<i>4,756.77</i>	<i>36.15</i>	-	<i>4,792.92</i>
27	Short Term Loans and Advances & Contractually reimbursable expenses	<b>1.55</b>	<b>12.83</b>	-	<b>12.44</b>	-	<b>26.82</b>
		-	<i>12.96</i>	<i>9.27</i>	<i>44.74</i>	-	<i>66.97</i>
28	Provision for Doubtful Loans and Advances	-	-	-	-	-	-
		-	-	<i>4,756.77</i>	<i>36.15</i>	-	<i>4,792.92</i>
29	Provision for Doubtful Trade Receivables	-	<b>7.81</b>	-	-	-	-
		-	-	<i>20.15</i>	-	-	<i>20.15</i>
30	Borrowings	-	<b>200.00</b>	-	-	-	<b>200.00</b>
		-	-	-	<i>3.76</i>	-	<i>3.76</i>
31	Advances received from customer	<b>4.03</b>	-	-	-	-	<b>4.03</b>
		-	-	-	-	-	-
32	Guarantees Taken	<b>3,308.87</b>	-	-	-	-	<b>3,308.87</b>
		<i>3,130.22</i>	-	-	-	-	<i>3,130.22</i>
33	<b>Remuneration</b>	-	-	-	-	<b>644.74</b>	<b>644.74</b>
		-	-	-	-	<i>581.39</i>	<i>581.39</i>

**Footnote :** Figures in italics are in respect of the previous year.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**36. Related party disclosures (contd.)**

**(c) The above Transactions includes:**

(₹ in Lakhs)

	A	B	B	B	B	B	B	B	B	C
	Shapoorji Pallonji & Company Private Limited	Afcons Infrastructure Limited	Forvol International Services Limited	Gokak Textiles Limited	Lucrative Properties Pvt. Limited.	Shapoorji Pallonji Investment Advisors Private Limited	Sterling and Wilson Private Limited	SP Armada Oil Exploration Pvt Limited	The Svadeshi Mills Company Limited	
<b>Nature of Transaction</b>										
<b>Purchases</b>										
1 Goods and Materials	-	-	-	-	-	-	-	-	-	-
2 Fixed Assets	<b>401.51</b>	-	-	-	-	-	-	-	-	-
<b>Sales</b>										
3 Goods and Materials	<b>289.83</b>	<b>98.40</b>	-	-	-	-	-	-	-	-
4 Services Rendered	<i>172.60</i>	-	-	-	-	-	<i>346.51</i>	<b>2,917.25</b>	-	-
	-	-	-	-	-	-	-	<i>107.19</i>	-	-
<b>Expenses</b>										
5 Rent	-	-	<b>9.11</b>	-	-	-	-	-	-	-
6 Travelling and conveyance expenses	-	-	<i>13.46</i>	-	-	-	-	-	-	-
7 Legal and professional charges	-	-	<b>139.53</b>	-	-	-	-	-	-	-
8 Transportation, freight, handling and other charges	-	-	<i>151.49</i>	-	-	-	-	-	-	-
9 Interest Paid	-	-	<b>7.66</b>	-	-	<b>60.51</b>	-	-	-	-
10 Real estate development expenses	<i>15.51</i>	-	<i>8.53</i>	-	-	-	-	-	-	-
11 Provision for doubtful loans and advances	<b>65.08</b>	-	-	-	-	-	-	<b>7.81</b>	-	-
12 Bad trade receivables / advances written off	-	-	-	-	-	-	-	-	-	-
13 Miscellaneous expenses	-	-	<b>15.21</b>	-	-	-	-	-	-	-
<b>Income</b>										
14 Rent and Other Service Charges	<b>25.28</b>	<b>45.08</b>	<b>21.81</b>	-	-	<b>39.68</b>	-	-	-	-
15 Interest Received	<i>35.61</i>	-	<i>21.33</i>	-	-	<i>34.08</i>	-	-	-	-
16 Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
<b>Other Receipts</b>										
17 Other Reimbursements	-	<b>21.14</b>	-	-	-	-	-	-	-	-
	-	<i>17.15</i>	-	-	-	-	-	-	-	-
<b>Finance</b>										
18 Inter-corporate deposits given	<b>15.00</b>	-	-	-	-	-	-	-	-	-
19 Inter-corporate deposits taken	-	-	-	-	<b>1,000.00</b>	-	-	-	-	-
20 Repayment of deposits taken	<i>200.00</i>	-	-	-	-	<b>800.00</b>	-	-	-	-
21 Repayment of deposits given	<i>275.00</i>	-	-	-	-	-	-	-	-	-
22 Advances received from customer	<b>15.00</b>	-	-	-	-	-	-	-	-	-
	<b>4.03</b>	-	-	-	-	-	-	-	-	-
<b>Outstandings</b>										
23 Trade Payables	-	-	-	-	-	-	-	-	-	-
24 Interest Accrued	-	-	-	-	<b>1.94</b>	-	-	-	-	-
25 Trade Receivables	<b>164.75</b>	-	-	-	-	-	-	<b>277.51</b>	-	-
26 Long Term Loans and Advances	-	-	-	-	-	-	<i>361.16</i>	-	-	-
27 Short Term Loans and Advances	-	-	-	-	<b>12.12</b>	-	-	-	-	<i>4,391.78</i>
28 Provision for Doubtful Loans and Advances	-	-	-	-	<i>12.88</i>	-	-	-	-	-
29 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	<i>4,391.78</i>
30 Borrowings	-	-	-	-	-	<b>200.00</b>	-	-	-	<i>20.15</i>
31 Advances received from customer	<b>4.03</b>	-	-	-	-	-	-	-	-	-
32 Guarantees Taken	<b>3,308.87</b>	-	-	-	-	-	-	-	-	-
	<i>3,130.22</i>	-	-	-	-	-	-	-	-	-
33 <b>Remuneration</b>	-	-	-	-	-	-	-	-	-	-

**Footnote**

Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 36. Related party disclosures (contd.)

#### (c) The above Transactions includes:

(₹ in Lakhs)

	C	D	D	D	D	D	E	E
	Nuevo Consultancy Service Limited.	Aquaignis Technologies Pvt. Ltd. (Joint Venture of Eureka Forbes Ltd.)	Eurolife Regen Pvt. Ltd. (Joint Venture of Eureka Forbes Ltd.)	Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited.)	Infinite Water Solutions Pvt.Limited. (Joint venture of Eureka Forbes Limited.)	Nyro Forbes Products Limited	Managing Director, Mr. Ashok Barat.	Managing Director, Mr. S L Goklany
<b>Nature of Transaction</b>								
<b>Purchases</b>								
1 Goods and Materials	-	-	-	2,356.48	2,932.22	-	-	-
2 Fixed Assets	-	-	-	2,360.71	2,513.76	-	-	-
	-	-	-	-	0.55	-	-	-
<b>Sales</b>								
3 Goods and Materials	-	-	-	241.75	-	-	-	-
4 Services Rendered	-	-	-	214.48	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Expenses</b>								
5 Rent	-	-	-	-	-	-	-	5.49
6 Travelling and conveyance expenses	-	-	-	-	-	-	-	115.15
7 Legal and professional charges	99.23	-	-	-	-	-	-	-
8 Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-
9 Interest Paid	-	-	-	-	-	-	-	-
10 Real estate development expenses	-	-	-	3.16	2.41	-	-	-
11 Provision for doubtful loans and advances	-	-	-	-	-	-	-	-
12 Bad trade receivables / advances written off	-	-	-	-	-	222.12	-	-
13 Miscellaneous expenses	-	-	-	46.24	18.45	-	-	-
	-	-	-	51.17	-	-	-	-
<b>Income</b>								
14 Rent and Other Service Charges	-	12.89	-	-	-	13.49	-	-
15 Interest Received	-	-	7.25	-	-	45.09	-	-
16 Miscellaneous Income	-	-	-	53.25	48.93	-	-	-
	-	-	-	-	-	1,683.77	-	-
<b>Other Receipts</b>								
17 Other Reimbursements	46.92	-	-	-	19.32	-	-	-
	5.73	6.49	-	9.96	14.26	-	-	-
<b>Finance</b>								
18 Inter-corporate deposits given	-	-	-	-	-	-	-	-
19 Inter-corporate deposits taken	14.50	-	-	-	-	-	-	-
20 Repayment of deposits taken	-	-	-	-	-	-	-	-
21 Repayment of deposits given	5.73	-	30.00	-	-	-	-	-
22 Advances received from customer	-	-	120.00	-	-	488.08	-	-
	-	-	-	-	-	-	-	-
<b>Outstandings</b>								
23 Trade Payables	-	-	-	313.42	645.16	-	-	-
24 Interest Accrued	-	-	-	261.76	327.53	-	-	-
25 Trade Receivables	-	-	7.89	-	-	-	-	-
26 Long Term Loans and Advances	-	27.24	-	-	-	-	-	-
27 Short Term Loans and Advances	-	11.94	30.00	-	-	-	-	-
28 Provision for Doubtful Loans and Advances	9.27	-	150.00	-	13.76	551.76	-	-
29 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-
30 Borrowings	-	-	-	-	-	-	-	-
31 Advances received from customer	-	-	-	-	-	-	-	-
32 Guarantees Taken	-	-	-	-	-	-	-	-
33 <b>Remuneration</b>	-	-	-	-	-	-	142.72	502.02
	-	-	-	-	-	-	129.67	451.72

#### Footnote

Figures in italics are in respect of the previous year.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 37. Leases

#### (a) Finance lease: Group as lessee

The Group has acquired Office equipment under finance lease for three years.

(i) The gross carrying amount and the accumulated depreciation at the balance sheet date are ₹ 64.69 Lakhs; (*Previous year: ₹ 120.38 Lakhs*) and ₹ 64.69 Lakhs; (*Previous year: ₹ 119.36 Lakhs*) respectively.

(ii) Depreciation recognized in the Consolidated Statement of Profit and Loss is ₹ 1.02 Lakhs; (*Previous year: ₹ 44.71 Lakhs*).

Future minimum aggregate lease payments (MLP) under finance leases together with the present value of future lease payments (PV of MLP), discounted at the interest rates implicit in the lease are as follows:

Period	As at 31st March, 2016		As at 31st March, 2015	
	MLP	PV of MLP	MLP	PV of MLP
Not later than one year	534.32	480.82	312.61	250.41
Later than one year but not later than five years	-	-	867.10	778.60
Later than five years	-	-	-	-
<b>TOTAL</b>	<b>534.32</b>	<b>480.82</b>	<b>1,178.71</b>	<b>1,029.01</b>
Less: Amounts representing finance charges	(53.51)	-	(149.70)	-
Present value of minimum lease payments	<b>480.82</b>	<b>480.82</b>	<b>1,029.01</b>	<b>1,029.01</b>

#### (b) Operating lease: Group as lessor

The Group has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto three years. The details of the premises leased are as follows:

Asset:	Buildings (pro-rata, wherever applicable)		Moulds		Products	
	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs
Gross carrying amount	2,890.46	2,295.74	35.66	35.66	2,064.62	1,413.26
Less: Accumulated depreciation	1,106.26	797.58	17.91	16.21	1,341.17	622.33
Net carrying amount	<b>1,784.20</b>	<b>1,498.16</b>	<b>17.75</b>	<b>19.45</b>	<b>723.45</b>	<b>790.93</b>
Depreciation for the year	<b>125.01</b>	<b>96.74</b>	<b>1.70</b>	<b>1.70</b>	<b>735.94</b>	<b>512.32</b>

Future minimum lease receivable under non-cancellable operating leases is as follow :

Period	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs
Not later than one year	1,564.70	993.56
Later than one year but not later than five years	1,473.20	1,643.58
Later than five years	-	-
<b>TOTAL</b>	<b>3,037.90</b>	<b>2,637.14</b>



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- (c) The Group has taken certain office premises, a residential flat and containers on operating lease basis. Future minimum lease payments under non-cancellable operating lease are as follows:

Period	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs
Not later than one year	12.46	230.55
Later than one year but not later than five years	29.56	14.27
Later than five years	-	-
<b>TOTAL</b>	<b>42.02</b>	<b>244.82</b>

(d) Lease Payments recognized in the Consolidated Statement of Profit and Loss	As at 31st March, 2016 ₹ In Lakhs	As at 31st March, 2015 ₹ In Lakhs
	<b>2,145.30</b>	<b>1,999.33</b>

### 38. Earnings per share

Earnings per share is computed as under:

S.No.	Particulars	Remarks	For the year ended 31st March, 2016	For the year ended 31st March, 2015
1.	(Loss)/Profit for the year after adjustment of share in Associates and Minority Interest (₹ In Lakhs)		(3,789.94)	3,246.71
	Less : Dividend on preference shares issued by subsidiary companies outside the group (including tax thereon) (₹ In Lakhs)		(90.07)	(108.82)
	(Loss)/Profit for the year attributable to Equity Shareholders	A	(3,880.01)	3,137.89
2.	Weighted average number of equity shares outstanding during the year	B	12,732,218	12,732,218
3.	<b>Earning per equity share (Nominal value of share ₹ 10) - (Basic &amp; Diluted) (₹)</b>	C=A/B	<b>₹ (30.47)</b>	<b>₹ 24.65</b>

### 39. Deferred tax liabilities & assets

- (a) The components of deferred tax liabilities (net) are as under:

Nature of Timing Difference	(Liabilities) As at 31st March, 2016 ₹ in Lakhs	(Liabilities) As at 31st March, 2015 ₹ in Lakhs
Related to fixed assets	729.59	562.58
Unrealised Foreign Exchange Gain	311.00	-
Provisions and liabilities to be allowed on payment basis	(58.79)	131.90
Transition Adjustments	-	(33.31)
	<b>981.80</b>	<b>661.17</b>

- (b) The components of deferred tax assets (net) are as under:

Nature of Timing Difference	Assets As at 31st March, 2016 ₹ in Lakhs	Assets As at 31st March, 2015 ₹ in Lakhs
Related to fixed assets	587.12	(314.80)
Voluntary retirement scheme	76.77	22.18
Provisions for doubtful debts and advances	693.89	694
Provisions and liabilities to be allowed on payment basis	623.91	468.14
Transition Adjustment	-	324.21
Brought forward loss	149.28	869.10
	<b>2,130.97</b>	<b>2,062.72</b>

#### Note:

- Where an entity has unabsorbed depreciation or carry forward losses under tax laws, deferred tax asset has been recognized to the extent that future taxable income will be available from future reversal of deferred tax liability recognized at the balance sheet date and is restricted to the extent of such liabilities. As a prudent measure, the excess deferred tax asset (net) has not been recognized in the accounts as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- In the case of Lux Group, Deferred tax assets amounting to ₹ 149.28 Lakhs (Previous Year ₹ 869.10 Lakhs) from tax losses carried forward are recognized as their recoverability is certain.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 40. Derivative instruments and unhedged foreign currency exposure

The Company enters into Foreign Exchange Contracts being derivative instruments, which are not intended for trading or speculative purposes, but for hedge purposes, to establish the amount of reporting currency required or available at the settlement date.

A) The following are the outstanding Forward Exchange Contracts entered into by the Company as at 31st March, 2016

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	₹ in Lakhs	FC in Lakhs	₹ in Lakhs	FC in Lakhs
Forward contract to sell USD	-	-	625.30	US\$ 10.00
Forward Contract to buy USD	1,362.30	US\$ 20.44	-	-

B) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	As at 31st March, 2016			As at 31st March, 2015		
	₹ in Lakhs	FC in Lakhs		₹ in Lakhs	FC in Lakhs	
a) Trade Payables	15,938.65	USD	240.69	9,943.17	USD	159.01
	-	JPY	-	4.61	JPY	8.81
	980.74	EUR	13.09	358.90	EUR	5.29
	-	CHF	-	1.79	CHF	0.03
	4.43	AUD	0.09	-	AUD	-
	3.22	SGD	0.07	2.99	SGD	0.07
	37.25	MYR	2.22	5.41	MYR	0.32
b) Trade Receivables	10,231.51	USD	154.50	5,105.16	USD	81.64
	90.14	GBP	0.95	81.14	GBP	0.87
	205.20	EUR	2.74	24.39	EUR	0.36
c) Short - term Borrowings						
Buyers Credit	1,381.45	USD	20.86	353.40	USD	5.65
d) Interest Payable						
Buyers Credit	0.14	USD	-	0.08	USD	-
e) Advances Given	305.56	USD	4.61	345.85	USD	5.53
for import of goods	10.69	EUR	0.14	3.74	EUR	0.06
f) Advances Received	16.73	USD	0.25	13.81	USD	0.22
from customers	11.93	GBP	0.13	6.96	GBP	0.08
g) Cash & Bank Balances	5,765.18	USD	87.06	4,384.39	USD	70.12
h) Loans Payable	18,670.30	EUR	249.22	14,758.41	EUR	217.53
	20,148.61	USD	304.26	21,642.57	USD	346.11
i) Interest Accrued on Borrowings	270.89	USD	4.09	-	USD	-
	22.30	EUR	0.30	-	EUR	-
j) Security Deposit furnished	466.18	USD	7.04	440.19	USD	7.04
k) Investment in Equity Shares	21,884.33	EUR	292.12	12,345.64	EUR	181.97
	7,321.68	AED	406.10	51.07	AED	3.00
l) Investment in Preference Shares	21,504.94	EUR	287.05	19,475.26	EUR	287.05

#### Footnote:

FC Foreign Currency    GBP Great British Pound    EUR Euro    AED Arab Emirates Dirham    JPY Japanese Yen  
 USD United States Dollar    CHF Swiss Franc    MYR Malaysian Ringgit    SGD Singapore Dollar    AUD Australian Dollar

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

- 41 (a) Forbes Technosys Limited (FTL), a wholly owned subsidiary, had issued 10,000,000 8% Cumulative Optionally Convertible Redeemable Preference Shares of ₹ 10 each in an earlier year outside the group. Shares shall be redeemable at par upon the expiry of 20 Years from date of allotment. FTL shall have option to redeem the same earlier at any time after giving a written notice of 30 days. The holder of the shares have an option after 18 months from date of allotment by written notice of 30 days to call up FTL to convert the share to equity capital at par with the outstanding / existing share capital. The Preference Shares shall be converted to Equity Shares at face value.
- (b) Forbes Container Line Pte. Limited (FCLPL), a wholly owned subsidiary, had issued 2,118,750 Redeemable Convertible Preference Shares (RCPS) of SGD 1 each in an earlier year outside the group. RCPS are entitled to receive 8% cumulative preference dividends before any dividends are declared to the ordinary shareholders. FCLPL has the option to redeem these RCPS within two years from the date of allotment, 8th June, 2010. The subscribers of RCPS have the option to convert them into ordinary share on a one-for-one basis after two years from the date of allotment upto June, 2030. RCPS have no right to share any surplus assets or profits and carry no voting rights. If RCPS have not been converted into ordinary shares on the expiration of 20 years from date of allotment, it has to be fully redeemed in cash by FCLPL.
- (c) Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 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.

Date of Allotment	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	18,600,000	12-Aug-29	Redeemable at par
06-Nov-09	24,000,000	06-Nov-29	Redeemable at par
22-Mar-10	31,650,000	22-Mar-30	Redeemable at par
02-Jul-10	18,450,000	02-Jul-30	Redeemable at par
	92,700,000		

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.

- 42 In respect of an overseas subsidiary, namely, Forbes Lux FZCO (FLFZCO), although trade receivables amounting to ₹ 14,725.08 lakhs and loans and advances amounting to ₹ 3,737.74 lakhs are unsecured and outstanding for a period ranging from 2006 to 2015, the management has considered the balances as good and recoverable.

The ASEAN Region operations faced typical challenges in the year 2015 in terms of business, the primary being the exchange fluctuations. The operations at the local level managed by distributors faced challenges in terms of local leadership. The increase compared to 2014-15 in the other financial assets is 12 % (₹ 1924 lakhs) out of which 4 % (₹ 708 lakhs) is on account of exchange fluctuation. The non-financial assets comprise of two parts trade receivables and long term loans. In the past two years the management has recovered US\$ 49.5 lakhs (₹ 3,275.78 lakhs) from receivables outstanding prior

to 2013. During the year 2014-15, the collections were US\$ 35.4 lakhs (₹ 2,342.68 lakhs). The Management was confident that the collections would improve in 2015-16 thereby improving the collections of overdue receivable. The year 2015-16 has been a challenging year as far as the business in the ASEAN Region is concerned both in terms of markets and the currency situation, especially in the Indonesia Market which saw a currency impact of 43 % depreciation in the past three years which also significantly affected the business. In 2016 the local distributors have revamped the leadership team and have taken an aggressive target. FLFZCO is also revamping the product portfolio and exploring various channels like retail, digital to reach the customers, which predominantly is through the direct sales mode now. The management expects that the operations in the ASEAN Region will improve in the next 3 to 4 years with all the above initiatives and also changes in the product portfolio. Out of the above outlined initiatives one of the key focus areas is going to be the retail market in this region where concerted efforts are on to get a foot hold in the market. The management has drawn out a plan to improve cash collections at the local level by changing the methodology of the sale from installment to cash. Tie ups with local collection agencies for faster collections at the local level is also been done. On the basis of the present situation and the above changes the next 5 year projection was made and the corresponding cashflow which has been worked out based on the projections shows that overdue receivables can be realised in the next 4 to 5 years. The receivables which are overdue are being analysed and the receivables of countries where the management have exited, have been completely written off. With all the above efforts the complete recovery of these outstanding is expected in the next 4 to 5 years.

- 43 Lux International AG group made use of the three years transition period to implement Swiss GAAP FER 16 for pension accounting, and applied International Accounting Standards (IAS) 19 during the transition period. In 2014, Lux Group introduced the restatement of pension assets and liabilities as per Swiss GAAP FER 16 (Swiss Accounting and Reporting Recommendations) retrospectively w.e.f. 1st January, 2014. Hence, pension liabilities will be affected in that the Group's economic obligations under the existing Swiss pension plans. The same has impact on current year Consolidated Statement of Profit and Loss amounting to ₹ 229.47 lakhs.
- 44 In the case of Forbes Lux International AG, Baar (Switzerland), financial statements were prepared in accordance with the framework and selected central recommendation of Swiss GAAP FER (Core FER) as the company qualifies for a small organisation. On this basis, internal classification, valuation and reporting principles have been defined and applied uniformly. The financial statements are based on results with cut-off date as of 31st December and constitute a true and fair view of the financial position, earnings and cash flows. As the organisation adopted Core FER as a whole for the first time, prior year balance sheet was presented with the new regulation. The same has impact on current year Consolidated Statement of Profit & Loss amounting to ₹ 479.12 lakhs.
- 45 In the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013, the Group had revised its estimated useful life of some of its assets. Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of assets, where the remaining useful life of the assets was determined to be nil as on 01st April, 2014 and had adjusted an amount of ₹ 766.52 Lakhs (net of deferred tax of ₹ 358.75 Lakhs) against the opening deficit in Consolidated Statement of Profit and Loss under Reserves and Surplus. The depreciation expense in the the Consolidated Statement of Profit & Loss Account for the previous year was lower by ₹ 263.89 Lakhs consequent to the change in the useful life of the assets. Further, based on technical certification, the

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Group had segregated few assets into land and building element. This had resulted in a credit of ₹ 223 Lakhs in representing depreciation charged on the land element in the earlier years.

Further, the Group in the previous year, had also changed its method of depreciation for certain category of fixed assets from written down value to Straight Line Method. Based on an evaluation carried out by the management, these fixed assets have been depreciated on 'straight line method' over the expected useful life of the fixed assets as against written down value method. This change in accounting policy had been made as it would result in a more appropriate presentation of the financial statements. As a result of this change, depreciation had been calculated retrospectively on straight line method and accordingly the Group had recorded reversal of depreciation expense amounting to ₹ 4,482.95 Lakhs pertaining to earlier years in the previous year's Consolidated Statement of Profit and Loss.

46 There was a fire accident in EFL's property at Hyderabad on 13th April, 2016. The building and the entire inventory stored in the warehouse was destroyed. EFL has filed a report with the Fire brigade and the Police at Hyderabad. At present survey is going on and on completion of the survey, claim will be lodged with the insurance company. The total value of inventory stored in the warehouse at the time of fire is ₹ 3,397.93 lakhs which was fully insured and is included in the inventories held as on 31st March, 2016. The net value of the building is ₹ 43.34 lakhs which is fully insured and forms part of fixed assets as on 31st March, 2016.

47 AMC Cookware Ltd (AMC), a Joint Venture of EFL, had suffered a fire in October, 2015 which seriously damaged the building and the inventories. However, the level of uncertainty is currently high and the evaluation (damages, insurance coverage and impairment on assets) is still in progress. The EFL Group identified 5 financial areas that might affect the assessment of the overall situation (reduced sales, stock write off, plant and equipment impairment, impairment of the factory property, insurance proceeds). As on 31st December, 2015 the following values are recorded [(all values at 50%): trading stock of EURO 8.9 lakhs (₹ 641.85 lakhs)], factory plant & equipment of EURO 2.39 lakhs (₹ 172.36 lakhs), land & building of EURO 3.35 lakhs (₹ 241.59 lakhs). While trading stock represents new items bought after the fire, factory plant & equipment, land & building has been presented as other receivables from the insurance company in the amount of EURO 6.56 lakhs (₹ 473.09 lakhs) as it is expected that this will be fully paid according to the insurance policy. As on 31st December, 2015 no amounts have been accrued for any cost of decontamination or clearance of the land & building, as currently these costs cannot be estimated reliable.

The Management of EFL Group still has limited information to work with. AMC does not yet have a clear view on impairment of Property, Plant and Equipment. AMC has not yet received a final written liability confirmation from the insurers (Hollard Insurance, Zurich Insurance) on the building, stock or business interruption claim. AMC still has no information regarding the timing and amounts of any Insurance payments forthcoming. The level of uncertainty is high and the comprehensive accounting treatment in the financial statements of AMC is pending.

48 The financial statements of Forbes Container Line Pte. Limited (FCLPL) a subsidiary, have been prepared on realisation basis because of the current financial performance and cash flow situation of FCLPL and the current liabilities exceed the current assets. The Company has to decide on the strategy for the way forward for FCLPL. At the date of these financial statements, the Company has not approved plans to infuse any further funding into FCLPL. Therefore, all assets of FCLPL are measured at the lower of their carrying amounts and estimated

realisable values and all liabilities of FCLPL are measured at their estimated settlement amounts as at the Balance Sheet date.

49 During the year ended 31st March, 2016, the Group recorded a goodwill impairment charge of ₹ 4,145.20 lakhs which arose at the time of acquisition of Forbes Lux International AG in the Financial year 2013-14. The impairment was on account of the losses due to reduction in business's operating results and estimated future cash flows. The Group used an income-based valuation approach to determine the fair value of the reporting unit by estimating the present value of future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates.

50 During the current financial year, FCLPL acquired plant and equipment by cash payment of US\$ 0.09 lakhs (equivalent to ₹ 5.91 lakhs) [2015: US\$ 0.19 lakhs] (equivalent to ₹11.89 lakhs) and US\$ 0.03 lakhs (equivalent to ₹ 1.97 lakhs) [2015: US\$ 0.15 lakhs] (equivalent to ₹ 9.39 lakhs) respectively, and during the previous financial year, certain plant and equipment (containers) of FCLPL were acquired by means of finance lease amounting to US\$ 17.68 lakhs (equivalent to ₹ 1160.85 lakhs). As at 31st March, 2016, the net book value of plant and equipment of FCLPL acquired under finance lease in respect of which instalment payments are outstanding amounted to US\$ 8.62 lakhs (equivalent to ₹ 565.98 lakhs) [2015: US\$ 16.42 lakhs] (equivalent to ₹1027.96 lakhs).

During the current financial year, FCLPL returned to the lessor the 301 containers under finance lease with a net book value of US\$ 5.44 lakhs (equivalent to ₹ 357.18 lakhs) (2015: Nil) which is recorded as disposal of plant and equipment and set off against the lease payables of the respective containers.

As at 31st March, 2016, the FCLPL's plant and equipment with a net book value of US\$ 0.04 lakhs (equivalent to ₹ 2.63 lakhs), are held by the Forbesline Shipping Services LLC. FCLPL intends to dispose these assets subsequent to the winding up of the subsidiary and the net book value of these assets represents the expected recoverable amounts from disposal of these plant and equipment.

51 In respect of a subsidiary, Shapoorji Pallonji Forbes Shipping Limited (SPFSL), Charter hire income includes income earned from the vessels deployed under pool arrangements ₹ 10,084.13 lakhs (previous year ₹ 8,006.26 lakhs). The income is accounted by SPFSL on the basis of monthly earnings statements received from the pool. These earnings are net of expenses like bunker, port expenses, brokerage, commission, etc. The earnings are distributed by the pool in accordance with the pool sharing formula as defined in the pool agreement and on the basis of vessel's rating as defined in the pool formula.

52 Secured Loans and advances include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2016 (*Previous year: ₹ 4,716.78 Lakhs*) granted to The Svadeshi Mills Company Limited (*Previous year include its subsidiary Coromandel Garments 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.

53 In respect of loans given to Coromandel Garments Limited, The Company had made full provision amounting to ₹ 364.99 lakhs in an earlier year and had also stopped accruing interest thereon due to uncertainty as to recoverability of loans and interest, in view of ongoing liquidation process of Coromandel Garments Limited.

Subsequent to the year end, on the basis of order passed by Hon'ble High Court, Mumbai, the Company has received ₹ 1,017.04 lakhs from

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

Hon'ble Debt Recovery Tribunal, Mumbai as part satisfaction of amount due. The amount received by the Company is after setting aside amount for securing the claim of the workmen of the company in liquidation. The company's status as a secured creditor is not disputed by the official liquidator.

Considering the above, management is of the view that possibility of amount becoming refundable upon final outcome of this matter is remote. The Company has therefore reversed the provision amounting to ₹ 364.99 lakhs towards the loans and advances and accounted the balance amount of ₹ 652.05 lakhs as interest income. This has been disclosed as an exceptional item at Note no. 30 to the Consolidated Statement of Profit and Loss of the Company.

### 54 Details of costs and revenue in respect of Project in progress:

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.

	<b>₹ In Lakhs</b>	
	<b>2015-16</b>	<b>2014-15</b>
Project revenue recognised during the year	-	-
Aggregate of Project costs incurred upto the reporting date	<b>1,524.45</b>	<i>1,043.30</i>
Profit recognised upto the reporting date	-	-
Advance received for projects in progress as at the reporting date (net of revenue recognised)	<b>1,984.84</b>	-
Amount of work-in-progress and the value of inventories as at the reporting date	<b>1,524.46</b>	<i>1,043.30</i>
Unbilled Revenue	-	-

(Unbilled revenue represents future instalments receivables from customers based on revenue recognised till balance sheet date)



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016**

**55. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures**

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs
<b>Parent</b>				
Forbes & Company Limited	(10.53)	(3,950.55)	(16.13)	611.31
<b>Subsidiaries</b>				
<b>Indian</b>				
1 Eureka Forbes Limited	247.96	93,930.07	(1,957.84)	74,201.15
2 Aquamall Water Solutions Limited	(85.93)	(32,243.86)	1,573.87	(59,649.63)
3 Forbes Facility Services Private Limited	2.21	828.94	(2.53)	95.92
4 Aquadiagnostics Water Research & Technology Center Limited	(0.55)	(204.76)	0.78	(29.59)
5 Forbes Enviro Solutions Limited	(5.94)	(2,229.89)	60.27	(2,284.29)
6 Euro Forbes Financial Services Limited	(0.01)	(2.08)	0.01	(0.32)
7 Volkart Fleming Shipping & Services Ltd	1.22	458.48	1.44	(54.55)
8 Forbes Bumi Armada Offshore Ltd	0.74	277.35	(55.16)	2,090.71
9 Forbes Campbell Finance Ltd	0.53	198.06	0.03	(1.28)
10 Forbes Bumi Armada Ltd	(0.56)	(209.26)	64.78	(2,454.98)
11 Forbes Campbell Services Ltd	0.02	8.17	1.23	(46.47)
12 Forbes Edumetry Ltd	(0.00)	(0.28)	4.53	(171.60)
13 Forbes Technosys Ltd	2.71	1,018.15	65.36	(2,477.30)
14 Shapoorji Pallonji Forbes Shipping Limited	(5.88)	(2,207.62)	(6.98)	264.63
15 Campbell Properties & Hospitality Services Limited	0.47	177.56	0.02	(0.57)
<b>Foreign</b>				
1 Forbes Container Line Pte Ltd	(8.07)	(3,027.79)	71.89	(2,724.74)
2 EFL Mauritius Limited	8.61	3,230.96	0.25	(9.39)
3 Euro Forbes Limited, Dubai	(7.48)	(2,806.11)	18.75	(710.45)
4 Forbes Lux FZCO	(8.09)	(3,036.63)	1.43	(54.30)
5 Lux International AG (LIAG) Group	(7.34)	(2,752.26)	56.41	(2,137.87)
6 Forbes Lux International AG (FLIAG) Group	(30.10)	(11,296.11)	77.83	(2,949.82)
<b>Minority Interests in all subsidiaries</b>	17.45	6,547.50	14.70	(557.20)
<b>Associates (Investment as per the equity method)</b>				
<b>Indian</b>				
1 Nuevo Consultancy Services Limited	-	-	-	-
<b>Foreign</b>				
1 Euro P2P Direct (Thailand) Co. Limited	-	-	-	-
<b>Joint Ventures (as per proportionate consolidation)</b>				
<b>Indian</b>				
1 Forbes Aquatech Limited	(4.65)	(1,745.82)	52.68	(1,996.46)
2 Infinite Water Solutions Private Limited	(5.26)	(1,972.29)	67.73	(2,566.79)
3 Forbes Concept Hospitality Services Private Limited	0.10	38.59	0.00	(0.05)
4 Aqualgnis Technologies Private Limited	(1.62)	(606.06)	13.01	(493.08)
5 Forbes G4S Solutions Private Limited	(0.01)	(2.87)	0.00	(0.09)
<b>Foreign</b>				
1 Edumetry INC	-	-	(8.37)	317.16



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

56. 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	Note No.	Period	Rate of Interest (%)	Purpose
<b>A Investments made</b>						
1 Water Quality Association.	- 0.71	0.71 0.71		N.A. N.A.	N.A. N.A.	WQA India is a non profit organization and has been set up in India for monitoring the quality of water and Water Purifiers. Euraka Forbes Ltd. is one of subscribers to this organisation being a leading player in water purifier business.
2 SPS FINQUEST Limited	- 187.20	187.20 187.20		N.A. N.A.	N.A. N.A.	As part of the Group's investment strategy related to its business it was decided to invest in the Financial service sector.
3 Kasiak Research Private Ltd.	124.74	124.74		N.A.	N.A.	For Expansion of Business
4 Idea Bubble Consulting Services Pvt Ltd	58.97	58.97		N.A.	N.A.	For Expansion of Business
5 DXV Water Technologies LLC	69.93 95.39	165.32 95.39		N.A. N.A.	N.A. N.A.	For Expansion of Business
<b>B Loans given</b>						
1 Svadeshi Mills Company Limited [See footnote to Note 2 B(xii)]	- -	4,391.78 4,391.78	(ii)	N.A. N.A.	N.A. N.A.	General corporate purpose
2 Coromandel Garments Limited	- -	364.99 364.99	(ii)	N.A. N.A.	N.A. N.A.	General corporate purpose
3 Edumetry Inc. USA	- -	- 72.03	(ii)	N.A. N.A.	N.A. N.A.	General corporate purpose
4 Volkart Fleming Shipping & Services Ltd	- -	- 65.00		On Demand	12.00	General corporate purpose
5 Forbes Technosys Limited	1,000.00 -	500.00 -		On Demand	12.00	General corporate purpose
6 Forbes Container Line Pte Limited	302.47 -	302.47 -	(ii)	On Demand	12.00	General corporate purpose
7 Forbes Edumentry Limited	- -	36.26 36.26	(ii)	On Demand On Demand	N.A. N.A.	General corporate purpose
<b>C Guarantees given</b>						
1 Forbes Bumi Armada Offshore Limited	- -	2,961.44 2,801.55	(i)	N.A. N.A.	N.A. N.A.	General corporate purpose
2 Forbes Technosys Limited	- -	4,570.00 4,570.00		Continuing Continuing	N.A. N.A.	Working Capital
3 Forbes Technosys Limited	- -	7,500.00 7,500.00		3 years 3 years	N.A. N.A.	General corporate purpose
4 Forbes Technosys Limited	- 5,000.00	5,000.00 5,000.00		3 years 3 years	N.A. N.A.	General corporate purpose

**Note:**

- (i) Guarantee given US\$ 44,75,000 (Previous year US\$ 44,75,000). Difference in Indian Rupees is on account of foreign exchange fluctuations.  
(ii) Provided as doubtful

57. The Management is in the process of identifying and appointing a Chief Financial Officer as required under Section 203 of the Companies Act, 2013.

58. Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

	SHAPOOR P. MISTRY	Chairman
	MAHESH TAHILYANI	Managing Director
	S.L. GOKLANEY	} Directors
	KAIWAN D. KALYANIWALLA	
	D. SIVANANDHAN	
	JIMMY J. PARAKH	
PANKAJ KHATTAR	JAI L. MAVANI	
Company Secretary	Mumbai, 30th May, 2016	





**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 :	
DPID :	

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 97<sup>th</sup> Annual General Meeting of the Company, to be held at "Rangaswar", 4<sup>th</sup> Floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400 021 on Wednesday, August 24, 2016 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, 2016 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, 2016.
2. To appoint Director in place of Mr. Jai Mavani (DIN 05260191) who retires by rotation and being eligible, seeks re-appointment.
3. To appoint Deloitte Haskins and Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018) as the Auditors of the Company and authorise the Board to fix their remuneration.
4. Ratification of the remuneration to be paid to Kishore Bhatia & Associates (Firm Registration No. 00294) for the Financial Year 2016-17.
5. Issue of Non-Convertible Debentures through Private Placement upto Rs. 150 crores.
6. Approval of Remuneration of Mr. Ashok Barat as Managing Director.
7. Appointment of Mr. Mahesh Tahilyani (DIN: 01423084) as Director of the Company.
8. Approval of appointment and remuneration of Mr. Mahesh Tahilyani (DIN: 01423084) as Managing Director of the Company.
9. Appointment of Ms. Aslesha Gowariker (DIN: 03634905) as Independent Director of the Company.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Signature of the shareholder : \_\_\_\_\_

Signature of Proxy Holder(s) : \_\_\_\_\_

Affix
Revenue
Stamp

**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.**





**Automatic Ticket Vending Machine**



**CBG's Bradma Vision Inspection System**



**CBG's Bradma Laser Marking Machine**





## **FORBES & COMPANY LIMITED**

CIN : L17110MH1919PLC000628

Registered Office : Forbes' Building, Charanjit Rai Marg, Fort, Mumbai -400 001

Tel: +91 22 6135 8900 • Fax: +91 22 6135 8901 • Website: [www.forbes.co.in](http://www.forbes.co.in)