



FORBES & COMPANY LIMITED



TOTEM - HIGH PERFORMANCE CUTTING TOOLS

**99th ANNUAL REPORT
2017 - 18**





CLEAN ENVIRONMENT



24/7 SECURITY

EUREKA FORBES

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



HEALTHY WATER



PURE AIR



Board of Directors

Shapoor P. Mistry	Chairman
Mahesh Tahilyani	Managing Director
Kaiwan D. Kalyaniwalla	Independent Director
D. Sivanandhan	Independent Director
Jai L. Mavani	Non-Executive Director

Chief Financial Officer

Nirmal Jagawat

Head Legal & Company Secretary

Pankaj Khattar

Statutory Auditors

Price Waterhouse Chartered Accountants LLP

Registered Office

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

Debenture Trustee

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

Registrars & Share Transfer Agents

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

Ninety Ninth Annual General Meeting of Forbes & Company Limited will be held on Tuesday, September 25, 2018 at 4.00 p. m. at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020.

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

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



NINETY NINTH ANNUAL REPORT 2017-18

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NOTICE

NOTICE is hereby given that the Ninety Ninth Annual General Meeting of the Members of Forbes & Company Limited will be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 on Tuesday, September 25, 2018 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, 2018 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, 2018 together with the Report of the Auditors thereon.
2. To declare dividend for the Financial Year ended March 31, 2018.
3. To appoint a Director in place of Mr. Jai Mavani (DIN: 05260191), who retires by rotation and being eligible, seeks reappointment.

SPECIAL BUSINESS

4. Authority to Borrow

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

“Resolved that in supersession of earlier resolution passed by the Members of the Company and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee/s thereof), to borrow such sums of money from time to time, with or without security, on such terms and conditions as it may consider fit, such that the amount to be borrowed together with the amount already borrowed by the Company (apart from temporary loans obtained in the ordinary course of business) outstanding at any point of time does not exceed ₹ 1,000 Crores (Rupees One Thousand Crores only).

Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as may be required and to resolve any question, difficulty or doubt and all matters connected thereto or incidental thereto and to execute all such documents, instruments as may be necessary or expedient or as may be deemed necessary in the interest of the Company.”

5. Authority to Create Charges

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

“Resolved that in supersession of earlier resolution and pursuant to Section 180 (1) (a) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof), to create charges, security, hypothecations, mortgages/equitable mortgages, in addition to the existing charges, security, mortgages and hypothecations created by the Company, on such moveable and/or immovable properties of the Company, present and/or future, on such terms and conditions and in such manner as the Board may deem fit in favour of banks, financial institutions, trustees of the holders of debentures/bonds and/or other person/s to secure borrowings, provided that the total security in respect of amount borrowed and outstanding at any point of time does not exceed ₹ 1,000 Crores (Rupees One Thousand Crores only).

Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds and things as may be required and to resolve any question, difficulty or doubt and all matters connected thereto or incidental thereto and to execute all such documents, instruments as may be necessary or expedient or as may be deemed necessary in the interest of the Company.”

6. Issue of Non-convertible Debentures/Bonds through Private Placement

To consider and, if thought fit, to pass, with or without modification(s), 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 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) other applicable laws/ regulations including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (including any statutory modification or re-enactment thereof for the time being in force) and subject to the receipt of such approvals as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) for making offer(s) or invitation(s) to subscribe to cumulative/non-cumulative, listed/unlisted, secured/unsecured, redeemable Non-Convertible Debentures/ Bonds (“NCD”) upto ₹ 250 crores (Rupees Two Hundred Fifty Crores only) through private placement, in one or more tranches or series on such terms and conditions as the Board may, from time to time, determine and consider proper and in the interest of the Company.

Resolved further that for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to finalize, the terms and conditions of the issue, including without limitation the class of investors, the size, issue price, tenor, interest rate, face value, terms of redemption, mode of payment, utilization of the issue proceeds, security and all matters connected or incidental thereto and to resolve any question, difficulty or doubt and to do all such acts, deeds and things as may be necessary or expedient or as may be deemed necessary in the interest of the Company.”

7. **Ratification of remuneration to Cost Auditor**

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

“**Resolved that** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 (“the Act”) and The Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof), the remuneration of ₹ 4.35 lakhs (Rupees Four Lakhs Thirty Five Thousand Only) plus out of pocket expenses to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2019 be and is hereby ratified and confirmed.

Resolved further that the Board of Directors of the Company (including any Committee thereof) 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.”

8. **Appointment of Ms. Rani Ajit Jadhav as an Independent Director.**

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

“**Resolved that** pursuant to Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, as amended from time to time, Ms. Rani Ajit Jadhav (DIN: 07070938), who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting, who meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, and in respect of whom the Company has received a notice from member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for three years from September 1, 2018.”

By Order of the Board

Pankaj Khattar

Head Legal & Company Secretary

Mumbai, August 28, 2018

Registered Office:

Forbes’ Building, Charanjit Rai Marg, Fort,
Mumbai 400 001

Phone: +91 22 6135 8900, Fax: +91 22 6135 8901

Email: investor.relations@forbes.co.in

CIN: L17110MH1919PLC000628

Website: www.forbes.co.in

NOTES:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) with respect to the special business set out in the Notice is annexed hereto. Additional information pursuant to Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) in respect of Director seeking re-appointment at the meeting is annexed as Annexure to this Notice.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM), is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a Member.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in aggregate not more 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 Wednesday, September 19, 2018 to Tuesday, September 25, 2018 (both days inclusive).
4. The dividend, if any, that may be declared at the AGM will be paid within the prescribed time to those Members whose names stand on the Register of Members of the Company on September 18, 2018 and in respect of shares in electronic form the dividend will be paid to the beneficial owners of the shares at the end of business hours on September 18, 2018, as per the details provided by the Depositories for this purpose.

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

- Shareholders holding shares in physical form and desirous of having NACH facility, should provide their bank details and 9 digit MICR and 11 digit IFS code number to the Registrar and Share Transfer Agents of the Company immediately.
5. Corporate members are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative to attend and vote at the AGM.
 6. Members are requested to immediately notify the REGISTRARS AND SHARE TRANSFER AGENTS or the DEPOSITORY PARTICIPANTS (in case of shares which have been dematerialized) of any change in their address.
 7. Members are requested to update their email address with Depository Participant/Company to enable us to send Annual Report and other communications electronically.
 8. Members are requested to bring their Attendance Slip along with their copies of the Annual Report to the AGM.
 9. 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 seven (7) years from the date they became due for payment, were required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 also contain similar provisions for transfer of such amounts to the IEPF. Accordingly, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed / unpaid for a period of seven (7) years from the date they became due for payment have been transferred to the IEPF established by the Central Government. No claim shall be entertained against the Company for the amounts so transferred.

In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven (7) years from the date of transfer to the unpaid dividend account is required to be transferred to the (IEPF). Accordingly, the Company would be transferring the dividend for the Financial Year ended March 31, 2012 as per the statutory timelines. Members are requested to ensure that they claim the dividend referred above, before it is transferred to the said IEPF.
 10. The Notice of the AGM along with the Annual Report for the Financial Year 2017-18 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 address are requested to register the same with Registrar and Transfer Agent/respective Depository Participant.**
 11. Members desiring any additional information/clarification on the Financial Statements are requested to send such requests at the earliest so as to enable the Management to keep the information ready at the AGM.
 12. E-Voting
 - I. In compliance with provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI LODR, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be able to exercise their right at the AGM through ballot paper.
 - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - IV. The remote e-voting period commences on Saturday, September 22, 2018 (9:00 a.m.) (IST) and ends on Monday, September 24, 2018 (5:00 p.m.) (IST). During this period Members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 18, 2018, 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 Participant/s).The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.
- Details on Step 1 is mentioned below:**
- How to Log-in to NSDL e-Voting website?**
1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

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

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

4. Your User ID details are given below :

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

5. Your password details are given below:

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

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

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

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

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

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

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

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

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

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

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

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

Details on Step 2 is given below:

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

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

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

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

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

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

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

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

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

General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

B. Other Instructions:

- I. The e-voting period commences on Saturday, September 22, 2018 at 09.00 a.m. (IST) and ends on Monday, September 24, 2018 at 05.00 p.m. (IST) (both days inclusive). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently. (Note: e-Voting shall not be allowed beyond the said time).
- II. The voting rights of shareholders shall be in proportion to the shares held by them in the paid up equity share capital of the Company as on September 18, 2018 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., NSDL and CDSL.
- III. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.
- IV. 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.
- V. 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).
- VI. 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 September 18, 2018.

Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. September 18, 2018, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tsrdarashaw.com However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

- VII. 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.
- VIII. 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.
- IX. 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.
- X. 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.
- XI. 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. September 25, 2018.

ANNEXURE TO NOTICE

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

The following explanatory statement sets out material facts relating to the business for Item Nos. 4 to 8 of the accompanying Notice:

Item No. 4 & 5

The Members of the Company at their meeting held on August 6, 2014 authorized borrowing and creation of security over and above the aggregate of paid up share capital and free reserves of the Company upto ₹ 500 Crores (Rupees five hundred Crores) at any point of time.

Section 180(1)(a) of the Companies Act, 2013 (“the Act”) requires that the Board of Directors shall not without the consent of the Shareholders obtained by Special Resolution, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.

Section 180(1)(c) of the Act requires that the Board of Directors shall not without the consent of the Shareholders obtained by Special Resolution borrow more than the aggregate of the paid up capital and reserves of the Company.

Considering the existing borrowings and future requirements, the existing overall limits for borrowings and security of ₹ 500 Crores may not be adequate if borrowings as per all enabling resolutions are availed, therefore it is proposed to increase the overall limits for borrowing and creation of charge upto ₹ 1,000 Crores.

The Company shall ensure that the overall borrowings and security at all times shall be within prudent limits.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution at item 4 & 5 of the Notice.

The Board recommends the passing of Special Resolutions as set out in Item No. 4 & 5 of the Notice in the interests of the Company.

Item No. 6

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 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 ₹ 250 Crores, within the overall borrowing limits of the Company

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, financially or otherwise, in passing of the said Special Resolution at Item No. 6 of the Notice.

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

Item No. 7

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 ₹ 4.35 lakhs plus out of pocket expenses for the financial year ending March 31, 2019.

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

Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution at Item No. 7 of the Notice.

The Board recommends the passing of this Resolution at Item No. 7 of the accompanying Notice in the interests of the Company.

Item No. 8

The Board of Directors appointed, Ms. Rani Ajit Jadhav as an Additional Director of the Company with effect from September 1, 2018. Ms. Jadhav holds office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received a notice in writing from a member proposing candidature of Ms. Jadhav for the office of Director of the Company.

Ms. Jadhav is a B.A. (Hons.), Politics & Economics from Utkal University and has got Post Graduate Diploma in Development Administration from University of Brimingham, UK.

Ms. Jadhav has over 38 years of experience in the Indian Administrative Service before retiring in 2008 from the position of the Chairperson, Mumbai Port Trust in the rank of Secretary, Government of India. Ms. Jadhav held a number of senior positions in government both at

the centre and state levels. Ms. Jadhav was associated with the highest levels of decision making in government and contributed significantly to policy formulation during her tenure. Ms. Jadhav was a Member on Reserve Bank of India's Empowered Committee for External Commercial Borrowings and Chairperson of the Tariff Authority for major Ports post her retirement.

Ms. Jadhav is an Independent Director on the Board of Merck Limited and Avana Logistek Limited.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Ms. Jadhav being eligible and offering herself for appointment, is proposed to be appointed as an Independent Director for three years with effect from September 1, 2018.

In the opinion of the Board, Ms. Jadhav fulfils the conditions specified in the Act and rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The terms and conditions of appointment of her appointment shall be open for inspection at the Registered Office of the Company during normal business hours on any working week day (Monday to Friday) and will also be kept open at the venue of the AGM.

The Board recommends the appointment of Ms. Jadhav as an Independent Director, for approval by the Shareholders of the Company having regard to her knowledge and experience.

Except Ms. Jadhav, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolution at Item No. 8 of the Notice.

By Order of the Board

Pankaj Khattar

Head Legal & Company Secretary
Mumbai, August 28, 2018

Registered Office:

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

Details of Directors whose re-appointment is proposed at the forthcoming Annual General Meeting (Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Name of Director	Mr. Jai L. Mavani	Ms. Rani Ajit Jadhav
Director Identification Number (DIN)	05260191	07070938
Date of Birth	September 4, 1971	June 2, 1948
Date of first Appointment	May 22, 2012	September 1, 2018
Qualification	B.Com, ACA	B.A. (Hons.), Politics & Economics PG Diploma, Development Administration, (UK)
Relationships between directors inter-se	Not related to any Director of the Company	Not related to any Director of the Company
Expertise in specific functional areas	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.	Wide experience of senior positions in the centre and state government and is well acquainted with all aspects of public administration in India
List of other Public Companies in which Directorship	1. Eureka Forbes Limited 2. Forbes Technosys Limited 3. Gopalpur Ports Limited	1. Merck Limited 2. Avana Logistek Limited
Chairmanship*/ Membership of the Committees of Board (includes only Audit Committee and Stakeholders Relationship Committee) of other Indian Public Companies	Nil	Audit Committee Merck Limited
No. of shares held in the Company	Nil	Nil

By Order of the Board

Pankaj Khattar

Head Legal & Company Secretary
Mumbai, August 28, 2018

Registered Office:

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Mumbai 400 001
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BOARD'S REPORT

Dear Members,

The Board of Directors (hereinafter referred to as "the Board") hereby submit the report of the business and operations of the Company (hereinafter referred to as "the Report") along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2018. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial Results and Highlights of Performance

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

₹ in Million

Particulars	Standalone		Consolidated	
	FY 17-18	FY 16-17	FY 17-18	FY 16-17
Revenue and Other Income (Total Income) from Continuing Operations	3049.79	2971.78	28577.52	30750.04
Earnings before Finance Cost, Depreciation, Exceptional Item & Tax	657.56	517.62	1590.80	1580.00
Profit / (Loss) after Finance, Depreciation and before Exceptional Items & Tax	460.70	334.35	(135.25)	129.36
Exceptional Items - Income/(Expense)	-	112.04	-	822.07
Profit before Tax (PBT) from Continuing Operations	460.70	446.39	(135.25)	951.45
Profit after Tax (PAT) from Continuing Operations	409.00	496.58	(416.16)	706.97
Profit after Tax (PAT) from Discontinuing Operations	-	469.53	-	-
Share of Net Profit of joint ventures	-	-	94.07	186.48
Profit/(loss) for the year	409.00	966.11	(322.09)	893.45
Other Comprehensive Income/(Loss)	0.27	(4.37)	271.90	100.18
Total Comprehensive Income	409.27	961.74	(50.19)	993.63
Earnings Per Share - Basic and Diluted (₹)	31.71	74.90	(25.30)	70.17

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

Management Discussion & Analysis of Financial Condition, Results of Operations and State of Company Affairs
General Outlook

Globally, the global economic upswing that began around mid-2016 has become broader and stronger. Economic activity has gathered momentum, both in advanced and emerging market economies, though financial market volatility and potential trade wars pose a threat to the outlook. Economic activity remained robust in emerging market economies. Surge in crude prices remain an area of concern. At 3.8 percent, global growth in year 2017 was the fastest since year 2011. With financial conditions still supportive, global growth is expected to pick up to a 3.9 percent rate in both year 2018 and 2019.

It has been an eventful year for your Company with many events playing its part and impacting the organisation substantially. Across businesses we have renewed leadership at some levels, built a highly supportive customers, and motivated team with a solid action plan to improve financial returns. In short, we are continuing a journey that began a little less than three years ago when markets were weak, business was declining and our overall performance was not upto our

own expectations. Today, markets are improving, business is growing and the opportunities for better financial performance are substantial. We are far from peak performance but we are beginning to get our competitive capabilities positioned to address the challenges and realize the potential that is in front of us.

Today we have a team that has the operational experience as well as the energy and passion required to ensure continuing success in executing the business plan our team has developed and is implementing.

Manufacturing has emerged as one of the high growth sectors in India. Prime Minister of India, Mr Narendra Modi, had launched the 'Make in India' program to place India on the world map as a manufacturing hub and give global recognition to the Indian economy. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020. With the forward push by the Government, the sectors in which we operate, provide us great opportunity in each of our businesses viz. Engineering, Industrial Automation, Consumer Durables (Water and Air Products), Chemical Tankers and Real Estate.

The manufacturing sector of India has the potential to reach US\$ 1 trillion by year 2025 and India is expected to rank amongst the top three growth economies and manufacturing destination of the world by the year 2020. Companies engaged in the engineering sector are virtually on a roll. Capacity creation in sectors like infrastructure, power, mining, oil & gas, refinery, steel, automotive, and consumer durables has been driving demand in the engineering sector. Separately, the approval of significant number of Special Economic Zones (SEZs) across the country and the development of the Delhi Mumbai Industrial Corridor (DMIC) across seven states is expected to further bolster the engineering sector.

Further, the Financial Year 2017-18 has been a year of reforms for India. The transformational Goods and Services Tax (“GST”), a landmark reform which will have a lasting positive impact on the economy and on the businesses, the Real Estate (Regulation and Development) Act, 2016 (“RERA”) the new Indian Bankruptcy Code (“IBC”) with its latest amendment and the decision to strengthen the balance sheets of the Public Sector Banks (PSBs) encountered challenges of policy, law and technology. In the first half of the financial year growth was affected as the economy slowed down due to the learning curve of adapting to the changes due to the new reforms. Towards the end of the second half, the economic growth improved due to the corrective actions taken and the global economic recovery.

The Reserve Bank of India (RBI) expects India’s economic growth rate to strengthen to 7.4 per cent in the current fiscal, from 6.6 per cent in 2017-18, on account of revival in investment activity with risks evenly balanced. Several factors, are expected to accelerate the pace of economic activities in the current year. There are now clearer signs of revival in investment activity as reflected in the sustained expansion in capital goods production and still rising imports, albeit at a slower pace. Global demand has been improving, which should encourage exports and boost fresh investment.

Business Review

Precision Tools Group (PTG)

Marching ahead on journey to provide innovative solutions to customers and PTG’s efforts of positioning Totem brand as high performance tools solution provider has started paying off & created impact in domestic & overseas market.

PTG is on an aggressive growth path and has delivered profitable 20% Year on Year (YoY) growth. High Performance Tool portfolio is showing decent growth and continues to be the future main revenue stream. This portfolio has opened many gates in the international market.

PTG introduced long drills in carbide for automotive application which has 100% Growth with specific success in applications of Crankshaft oil hole drilling, drilling of Automotive special parts & Mining drills.

Geographic expansion along with portfolio expansion has been the main theme. PTG has made inroads into new high potential export customers in Solid Carbide tools in Australia, Israel & Japan. Expansion in domestic distribution coverage has helped PTG’s growth

PAN India. Engineering Division participated in many Domestic as well as International trade exhibitions viz. EMO (European Machine Tools Exhibition), IMTEX (Indian Metal Cutting Machine Tools Exhibitions), AeroDef & some other regional events to showcase our capabilities.

PTG continues to invest in design and technology to further strengthen our position against competition in domestic and overseas market. Investment in technology is done to enhance processes like Surface treatment, Edge preparation, Tool 3D scanning & application based tool design simulations.

Globally carbide cutting tool manufacturers are facing shortage & price hike in Carbide raw material from October’ 2017 due to increase in Cobalt & Tungsten Price.

Pressures are on costs due to escalation of prices of raw materials in international markets, making cost prudence drive a compulsion. General price increase has been announced in January’2018 for all products to cover such increase, which have been accepted by the market.

PTG will continue to invest in capacity augmentation to meet increased market demand. Initiatives during the year included investment & capacity enhancement in manufacturing HSS drills at Waluj, Aurangabad for improved product margins & availability. Spring washer facility in Waluj, Aurangabad got approved by one of the major international fastener giants.

Industrial Automation and Coding Business Group (CBG)

Coding business group is at consolidation stage, with 12% Year on Year (YoY) growth but the future growth story for CBG is industrial automation and CBG’s own manufactured Laser marking systems.

Industrial Automation business under CBG has proved its mettle in line automation projects done for a leading four wheeler manufacturer in India. Clutch Assembly & Gear Box Assembly lines were successfully installed & commissioned. The sales funnel is attractive in this area.

Large-value CBG automation orders from big automotive OEM companies are one of the significant achievements in FY’18 for projects business.

Inroads into name plate marking Laser Special Purpose Machines, non-marking automation such as Billet feeding, Billet weighing & CAM sprocket auto tightening special purpose machines are new introduction in CBG. Further, our efforts to make inroads in major two wheeler manufacturers, Bearing Industries, Auto Ancillaries resulted in opening up of Tier-1 vendor’s doors for Telesis DOT pin marking applications.

CBG has ambitious growth plan in scaling up existing solution & introducing Robotic solutions. CBG is building sales network at regional level to strengthen business development & critical talent development in new technology areas to support growth initiative.

The Engineering Division continued to be committed towards Employee Safety & wellbeing through its various employee engagement initiatives, operations by complying all environmental & safety regulations.

ACE (Adapt Change Excel) change management program will continue to set directions to achieve our vision of being market leader by providing innovative solution.

During the year, some product lines were moved from Chikalhana to Waluj. Continuing the journey of synergising and consolidation of products portfolio, the Company is now in the process of re-establishing the supply chain effectively.

Project Vicinia, Chandivali

The real estate development Project Vicinia at Chandivali is registered under Maharashtra Real Estate Regulatory Authority and is expected to be completed by June' 2021. The Company has sold 129 flats pertaining to its share in Project Vicinia as at March' 2018.

Investment in Subsidiaries/Joint Ventures

During the year under review, the Company invested ₹ 10 crores in Preference Shares of Forbes Technosys Limited a wholly owned subsidiary of the Company.

Subsidiaries/ Associates /Joint Ventures

The following companies have become or ceased to be subsidiaries, joint ventures or associates:-

Name of Company	Nature of Relationship
Aquamall Water Solutions Limited	A wholly owned subsidiary of Eureka Forbes Limited merged with Eureka Forbes Limited vide Court Order dated March 31, 2018 with effect from April 1, 2016.
Brightyclean (Spain) S.L	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) ceased to a subsidiary with effect from December 31, 2017.
Lux CZ s.r.o	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) ceased to a subsidiary with effect from December 31, 2017.
Lux Oesterreich Professional GmbH, Austria	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) was merged with Lux Oesterreich GmbH with effect from October 31, 2017.
Lux Professional GmbH, Germany	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) was merged with Lux (Deutschland) GmbH with effect from December 31, 2017.

Lux/SK/s.r.o	A wholly owned subsidiary of Forbes International AG (Earlier known as Forbes Lux Group AG, a step down subsidiary of Eureka Forbes Limited) ceased to be a subsidiary with effect from December 31, 2017.
Lux Waterline GmbH	A wholly owned subsidiary of Lux Professional International GmbH (a step down subsidiary of Eureka Forbes Limited) was merged with Lux (Deutschland) GmbH effect from December 31, 2017.
Lux International Service KFT	Incorporated as a wholly owned Subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) with effect from January 6, 2017
Forbes International AG	A wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) ceased to be subsidiary with effect from April 1, 2018
Lux Professional International GmbH	A wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) merged with Lux International AG with effect from April 1, 2018
Lux Aqua Hungaria KFT	A wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) ceased to be subsidiary with effect from April 30, 2018
Lux Aqua Czech s.r.o	A wholly owned subsidiary of Lux International AG (a step down subsidiary of Eureka Forbes Limited) ceased to be subsidiary with effect from April 30, 2018

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

Eureka Forbes Limited & its Subsidiaries (Collectively "EFL")

In a year that has been interesting for businesses and economy yet recovering from the impact of demonetisation and transition to GST, where both the consumer and trade sentiments took a beating in the early half of the year, slowly getting back to track in the later part of the financial year.

EFL believed in the power of PLUS 'positivity leads to ultimate success'. In a year that otherwise was stretched, EFL continued to play within its categories across channels remaining positive about the mid-term outlook of the industry and continue to invest strongly in our core categories and brands, developing them for the future. The competitive intensity will continue to increase and as leaders, EFL continued to anticipate and moved swifter.

Key Priorities:

- Drive Growth across all Businesses
- Bring in cost efficiencies to Optimise Efficiency
- Build an organisation of Customer Fanatics and build relationships
- Incubate New Categories and Segments
- Sustained efforts in Digitisation
- Continued focus on innovations and activations
- Bring about Cultural Change

Armed with consumer insights, EFL continued to drive innovation across brands, categories, operations and adapted the go-to-market strategies, taking into account the diversity, market needs, and the evolving channels of distribution.

EFL is harnessing technology, mobile connectivity to build leading edge operational and marketing capabilities. It is indeed helping EFL to engage and understand its customers and its people better through different mediums such as 'Eureka TV'. EFL continued to lead the digital transformation within and leveraged its Direct Sales capabilities to drive competitive advantage. EFL grew in the fast emerging e-commerce channel supported by Eurochamps and its Retail and Institutional efforts to assist the customers across the length and breadth of India continued.

Most importantly, EFLs brands and operations continued to be held together by its firm belief / purpose to be 'Friend for Life'. EFL has under 'Jal Daan' movement installed 26 Community Drinking Water Plants and products to support communities and School children – touching lives of over 50,000 fellow citizens.

Forbes Technosys Limited (FTL)

During the year under review FTL continued its growth across multiple sectors and dimensions, albeit with pressures on revenue growth. During the year, GST though beneficial in long term, in the year under review, posed several issues related to re-classification of goods and services as well as reconfiguration of GST by the company's customers impacted the velocity and scale of business.

In these circumstances, FTL chose to consolidate across its business verticals and product range in a challenging business environment and increase in service and solution revenue, which has resulted in an Earnings Before Interest Depreciation Taxation and Amortization (EBIDTA) growth from ₹ 0.60 Crores in FY 2016-17 to ₹ 6.82 Crores in FY 2017-18.

Business from key verticals such as banking, telecom and Government slowed down as these segments faced challenges of their own.

The year under review proved to be a difficult one for the banking segment as banks put on hold procurement plans due to their preoccupation with dealing with large NPAs and their focus on digitization initiatives.

The telecom segment saw pricing and profitability challenges posed by new entrant Reliance Jio, which stalled further roll-out plans for bill payment machines.

Key Government programs like Digital India and Smart cities also did not reach the envisaged roll-out stage during the year.

All the above factors not only impacted performance of FTL but also of our competitors in the same industry, in addition to causing a sudden reduction in overall demand.

However, over the year, it has been seen that post demonetization, cash has come back to pre-demonetization levels and our customer segments have again felt the need to frame programs to handle cash, cheques and other instruments alongside their digitization initiatives. As a result of this and the pent-up demand, it is expected that large roll-outs self-service kiosks by banks, telcos and Govt. will happen in the coming year.

Forbes Xpress, FTL's e-payments services platform, continued to grow both in terms of scale, franchisee numbers and geographic presence. During the year, development effort for launching the Bharat Bill Payment System (BBPS) was undertaken and was launched on schedule.

FTL received the following awards during the year:

- Forbes Xpress bagged the prestigious Drivers of Digital award for **"Best Digital Payment Facilitator"** in the country
- Our R&D won the **ASSOCHAM- MSME runners-up award** in the category- "Reduce dependence on non-renewable sources of energy"

FTL will continue to focus on improving financial strength, while making investments in new services such as Bharat Bill Payment System, Aadhaar enabled Payment System, Insurance etc., infrastructure creation, franchisee network and new product development. These investments will help us in addressing emerging opportunities in domestic and international markets in the near future.

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

In January'2018, SPFSL acquired one 2006 Japanese built vessel with stainless steel tanks of 20,938 mt dwt ("MT Saranga") increasing the total dwt capacity of the company to 73,424 mt. SPFSL is the only company in India that owns chemical tankers. SPFSL is committed to the safe and efficient transport of chemical cargoes for all its customers and partners. All the five vessels maintain approvals from Oil Majors including Shell, Exxon, Chevron, BP and Total for carrying their products.

Earnings in FY 2017-18 were affected adversely due to increase in supply of ships and increase in fuel prices. A total of 83 new build ships joined the chemical tanker fleet in the year 2017. The fuel oil prices increased from US\$ 319 per mt in April' 2017 to US\$ 390 per mt in March' 2018 thereby resulting in reduction in the net voyage earnings.

The average earnings per day per ship for marineline coated tankers were down to USD 8,780 as compared to USD 9,971 per day per ship during previous year. The earnings for MT Saranga averaged at US\$ 12,083 per day.

Seaborne chemicals trade grew by about 2% YoY in 2017 but the freight rates remained subdued due to increase in supply. As per an estimate, about 136 vessels are expected to be delivered in 2018.

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

Forbes Bumi Armada Limited (FBAL)

FBAL maintains exceptionally good manpower which continues to provide quality manning services to Floating Production Storage and Offloading (FPSO) located in Mumbai High. The manning team has brought laurels to the Company by maintaining both the FPSO with zero Loss Time Injury (LTI) and 100% commercial uptime. Manpower resource of company are delivering international standard services to client maintaining best Health Safety and Environment (HSE) records.

Assets of The Svadeshi Mills Company Limited (Svadeshi)

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

Dividend & Transfer to Reserves

Your Directors are pleased to recommend for the approval of the Members a dividend of ₹ 2.50 per equity shares (*previous year: ₹ 2.50*). The dividend, if approved by the Members would involve a cash outflow of ₹ 38.9 million including dividend tax (*Previous Year ₹ 38.8 million*). In accordance with SEBI (Listing Obligations and Disclosure Regulations), 2015 ("SEBI LODR"), the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is annexed as Annexure "II". The policy is also available on the website of the Company, www.forbes.co.in

The Company proposes to retain the entire balance amount of ₹ 787.7 million (*Previous Year ₹ 417.30 million*) in the Profit & Loss Account.

Share Capital

The paid up Equity Share Capital of the Company as on March 31, 2018 was ₹128.99 million. 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, 2018 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 ₹1,000 million were outstanding during the year ended March 31, 2018.

- **Deposits**

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

Particulars of loans, guarantees and investments

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

Related Party Transactions

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

All related party transactions are placed before the Audit Committee for approval. Prior omnibus approval of the Audit Committee is obtained for transactions which are of a foreseen and repetitive nature. The transactions entered pursuant to the omnibus approval so granted are placed before the Audit Committee on a quarterly basis.

Form AOC-2 is annexed as Annexure 'III' to this report, pursuant to Section 188 of the Act. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website.

Vigil Mechanism/Whistle Blower Policy

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

Internal Controls and Systems

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

Price Waterhouse Chartered Accountants LLP, the statutory auditors of the Company 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 Internal Complaints Committee Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Compliant Committee (ICC) has been setup to redress complaints receive regarding sexual harrasment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During FY 2017-18, no complaint on sexual harassment was received.

Corporate Governance and Management Discussion and Analysis

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

Corporate Social Responsibility (CSR)

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

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

The Company during the FY 2017-18 undertook infrastructure funding project and committed and earmarked funds for partial reconstruction of school building. The said projects undertaken by the Company are in accordance with Schedule VII of the Companies Act, 2013. ₹ 9.61 lakhs pertaining to FY 2017-18 has been spent on Safe drinking water, Environment Preservation and Supporting Schools. The Company has entered into a Memorandum of Understanding (MoU) with Aurangabad Municipal Corporation for balance unspent balance of ₹ 11.39 Lakhs pertaining to FY 2017-18 towards partial reconstruction of a municipal school building in Aurangabad. The construction work would start after receipt of requisite approvals.

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

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.

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

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 Listing Obligations and Disclosure Requirements) Regulation, 2015 (SEBI LODR), the Board has carried out an annual performance evaluation of its own performance, the directors individually, as well as, the evaluation of the working of its Audit, Nomination and Remuneration, Stakeholders' Relationship Committees.

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

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

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

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

Remuneration Policy

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

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

Meetings of the Board

The Board met at least once in each quarter and 6 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

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

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

Cost Auditors

As per the requirements of Section 148 of the Act read with The Companies (Cost Records and Audit) Rules, 2014, the cost accounts of the Engineering Division and Project Vicinia of the Company are required to be audited by a Cost Accountant. The Board of Directors of the Company have, on the recommendation of the Audit Committee, appointed Kishore Bhatia & Associates, Cost Accountants, as Cost Auditors for the FY 2018-19 on a remuneration of ₹ 0.44 million 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 Ninth Annual General Meeting of the Company.

Secretarial Audit

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

Auditor is annexed herewith as Annexure 'VII'. There was a delay in processing of one of the transmission request where the legal heirs had requested for waiver of specified documents and the amount involved was substantial. The delay was due to time taken by Registrar & Transfer Agents to reasonably satisfy itself about genuineness before processing transmission.

Human Resources Development and Industrial Relations

The major focus for Human Resources (HR) partnered closely with Engineering business for several important initiatives and imperatives.

Talent infusion and augmentation in the respective Business is a major focus area and was managed effectively in a highly competitive talent acquisition scenario. Performance and potential assessment with focus on career and succession planning continue and middle level leadership transitions were achieved successfully.

Continuing movement towards automation & digitisation, eg. HR processes like, the Performance Management System (PMS) and Leave Management System (LMS) were completely automated. The migration to SAP Payroll has also commenced.

The employee relations continued to be cordial and productive with several significant changes boosting capacity utilisation, efficiency and productivity in the plants

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

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

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

Extract of Annual Return

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

Business Responsibility Report

A separate section on Business Responsibility Report forms part of this Annual Report as required under Regulation 34(2)(f) of SEBI LODR.

Cautionary Statement

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

Acknowledgements

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

For and on behalf of the Board

Shapoor P. Mistry
Chairman
Mumbai, May 28, 2018

ANNEXURE "F"
FORMAOC - I

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

Sr. No.	Name of Subsidiary	Aquadi-agnostic Water Re-search & Technology Centre Limited	Campbell Properties & Hospitality Services Limited	Eureka Forbes Limited	EFL Mauritius Limited	Euro Forbes Financial Services Limited	Euro Forbes Limited	Forbes Bumi Armada Limited	Forbes Campbell Services Limited	Forbes Enviro Solutions Limited	Forbes Facility Services Private Limited	Forbes Lux FZCO	December 31, 2017				
													March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018
		₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	EUR	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	in USD \$	Rate	AVG	₹ In Lakhs
	Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	December 31, 2017	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	December 31, 2017				
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries																
(a)	Share Capital	300.00	48.75	372.80	287.20	21,234.26	5.00	113.33	64.13	7,267.78	550.00	5.00	282.73	100.00	139.64	63.37	8,849.06
(b)	Reserves & Surplus	★ (152.10)	132.66	48,376.81	(93.63)	(4,808.93)	★ (2.54)	★ (58.94)	64.51	★ (3,802.64)	504.28	11.88	★ (149.89)	310.18	★ (110.40)	63.29	★ (6,986.66)
(c)	Total Assets	168.57	184.13	1,58,513.11	197.94	16,773.59	2.86	414.57	63.71	26,414.33	2,310.43	24.95	1,423.93	5,083.74	313.36	63.71	19,965.32
(d)	Total Liabilities	20.68	2.72	1,09,763.50	4.36	348.26	0.40	360.19	63.71	22,949.19	1,256.15	8.06	1,291.09	4,673.56	284.12	63.71	18,102.92
(e)	Investments	-	-	17.48	195.98	16,617.54	-	138.82	63.71	8,844.84	474.70	-	1.91	-	-	-	-
(f)	Turnover	163.70	14.05	1,78,574.39	-	-	-	-	-	-	5,471.26	52.80	2,655.48	14,783.34	24.71	64.60	1,596.40
(g)	Profit before Taxation	9.22	0.34	(11,375.26)	(0.11)	(8.20)	(0.28)	(9.15)	64.60	(591.10)	226.27	6.21	(121.28)	230.37	(11.55)	64.99	(750.58)
(h)	Provision for Taxation	-	0.13	2,094.80	-	-	-	-	-	-	114.02	1.60	11.63	124.86	-	-	-
(i)	Profit after Taxation	9.22	0.20	(13,470.06)	(0.11)	(8.20)	(0.28)	(9.15)	64.60	(591.10)	112.25	4.61	(132.91)	105.51	(11.55)	64.99	(750.58)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100	100	100	100	100	100	100	100	100	51.00	98.00	100.00	100.00	99.42	99.42	100.00

**ANNEXURE "F"
FORM AOC - I**

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

Sr. No.	Name of Subsidiary	Forbes International AG (earlier known as Forbes Lux Group AG)		Forbes Lux International AG		Forbes Technosys Limited		Forbes Campbell Finance Limited		Lux Professional International GmbH (earlier known as Lux Auqa international GmbH)		Lux Aqua Hungary kft		Lux Aqua Czech s.r.o.					
		CHF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	CHF	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	CZK	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	10.00	69.37	693.70	710.00	66.01	46,869.43	2,689.72	386.41	0.20	66.61	13.32	600.00	0.23	138.47	10.00	2.64	26.45	
(b)	Reserves & Surplus	(1.47)	93.42	(137.33)	★(270.31)	86.82	(23,468.85)	★(1,098.28)	6,078.38	★(8.01)	65.59	★(525.40)	★(460.14)	0.23	★(104.10)	123.25	3.01	371.13	
(c)	Total Assets	22.49	65.26	1,467.75	823.62	58.83	48,456.02	21,591.36	6,844.85	36.13	65.26	2,357.80	5,330.71	0.25	1,309.76	204.99	2.98	611.63	
(d)	Total Liabilities	13.97	65.23	911.39	383.94	65.26	25,055.44	19,999.92	380.06	43.94	65.31	2,869.88	5,190.85	0.25	1,275.39	71.74	2.98	214.05	
(e)	Investments	-	-	-	781.12	58.48	45,682.26	-	6,617.94	-	-	-	-	-	-	-	-	-	
(f)	Turnover	1.18	66.21	78.13	-	-	-	13,161.35	6.00	-	-	-	3,521.73	0.24	841.34	55.56	2.83	157.20	
(g)	Profit before Taxation	(2.09)	66.18	(138.32)	(227.55)	66.11	(15,043.53)	(1,200.40)	(26.06)	(7.35)	66.11	(485.92)	(564.43)	0.24	(134.84)	(115.04)	2.83	(325.49)	
(h)	Provision for Taxation	-	-	-	4.01	66.11	265.07	32.62	-	-	-	-	-	-	-	-	-	-	
(i)	Profit after Taxation	(2.09)	66.18	(138.32)	(223.54)	66.11	(14,778.45)	(1,233.02)	(26.06)	(7.35)	66.11	(485.92)	(564.43)	0.24	(134.84)	(115.04)	2.83	(325.49)	
(j)	Proposed Dividend																		
(k)	% of Shareholding		100			100		100.00	100.00		100.00			100			100		

ANNEXURE 'F'
FORMAOC - I

Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
PART 'A' SUBSIDIARIES

Sr. No.	Name of Subsidiary	Lux Deutschland GmbH			Lux Del Paraguay S.A.			Lux Aqua Paraguay S.A.			Lux Hungaria Kereskedelmi Kft			Lux International AG			Lux International Services Kft.			Lux Italia srl		
		December 31, 2017			December 31, 2017			December 31, 2017			December 31, 2017			December 31, 2017			December 31, 2017			December 31, 2017		
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	EUR	Rate	₹ In Lakhs	PYG	Rate	₹ In Lakhs	PYG	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	CHF	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs
(a)	Share Capital	71.53	84.96	6,077.19	50,000.00	0.01	558.50	1,000.00	0.01	11.58	300.00	0.29	85.96	195.00	66.84	13,033.78	150.00	0.25	36.86	1.10	84.96	93.46
(b)	Reserves & Surplus	★ (60.71)	86.49	★ (5,251.02)	1,446.71	0.01	17.70	(7,894.33)	0.01	(88.80)	10,962.16	0.24	2,681.15	(25.80)	77.21	(1,991.75)	36.04	0.25	8.86	★(0.15)	138.33	★ (20.75)
(c)	Total Assets	92.36	76.31	7,049.40	3,27,334.15	0.01	3,666.14	25,959.32	0.01	290.74	23,690.12	0.25	5,820.66	479.86	65.26	31,315.27	290.11	0.25	71.28	5.47	76.50	418.45
(d)	Total Liabilities	81.54	76.31	6,223.23	2,75,887.45	0.01	3,089.94	32,853.64	0.01	367.96	12,427.96	0.25	3,053.55	310.66	65.26	20,273.24	104.07	0.25	25.57	4.53	76.32	345.75
(e)	Investments	-	-	-	1,035.25	0.01	11.59	-	-	-	-	-	-	328.04	65.26	21,407.52	-	-	-	-	-	-
(f)	Turnover	146.30	74.11	10,842.28	2,80,565.19	0.01	3,142.33	4,162.91	0.01	46.62	34,818.97	0.24	8,318.25	-	-	-	-	-	-	15.90	74.13	1,178.64
(g)	Profit before Taxation	(47.85)	74.11	(3,546.00)	(16,063.09)	0.01	(179.91)	(5,907.15)	0.01	(66.16)	163.22	0.24	38.99	(35.82)	66.11	(2,367.95)	69.84	0.24	16.68	(5.45)	74.16	(404.17)
(h)	Provision for Taxation	0.02	69.50	1.39	369.45	0.01	4.14	-	-	-	-	-	-	-	-	-	33.80	0.24	8.07	-	-	-
(i)	Profit after Taxation	(47.87)	74.11	(3,547.39)	(16,432.54)	0.01	(184.04)	(5,907.15)	0.01	(66.16)	163.22	0.24	38.99	(35.82)	66.11	(2,367.95)	36.04	0.24	8.61	(5.45)	74.16	(404.17)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	-	-	-	-	50	-	-	90	-	100	-	100	-	100	-	100	-	100	-	100	-

ANNEXURE 'F'
FORM AOC-1

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

Sr. No.	Name of Subsidiary	Lux Norge A/s			Lux (Osterreich) GmbH			Lux Schweiz AG			Lux International Services & Logistic GmbH (earlier known as Lux Services GmbH)				LJAG Trading & Investment Limited			Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Limited.		
		Reporting Period of Subsidiary concerned, if different from the holding company's reporting period	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017	December 31, 2017			December 31, 2017	March 31, 2018
		NOK	Rate	₹ In Lakhs	EUR	Rate	CHF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	in USD \$	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	
(a)	Share Capital	190.00	8.10	1,539.18	9.00	81.12	1.00	69.37	69.37	0.25	73.79	18.45	0.28	64.95	18.18	8,200.00	50.39				
(b)	Reserves & Surplus	★(176.30)	8.13	★(1,433.02)	(5.22)	84.63	3.96	64.22	254.31	0.28	78.58	22.00	1.49	63.48	94.59	7,437.13	489.02				
(c)	Total Assets	91.04	7.75	705.65	22.20	76.32	8.27	65.26	539.69	30.42	76.32	2,321.70	32.25	63.71	2,054.80	43,696.67	605.58				
(d)	Total Liabilities	77.34	7.75	599.49	18.42	76.32	3.31	65.26	216.01	29.89	76.32	2,281.25	30.48	63.71	1,942.03	28,059.54	66.18				
(e)	Investments	0.20	7.75	1.55	-	-	-	-	-	-	-	-	-	-	-	-	203.91				
(f)	Turnover	296.04	7.80	2,309.28	39.90	74.11	26.86	66.11	1,775.75	93.89	74.11	6,958.28	45.60	64.60	2,945.65	8,102.49	131.76				
(g)	Profit before Taxation	(11.11)	7.80	(86.70)	(7.34)	74.11	3.17	66.11	209.57	(9.47)	74.11	(701.83)	13.84	64.60	894.03	(1,540.80)	47.25				
(h)	Provision for Taxation	44.90	7.80	350.26	-	-	0.23	66.11	15.21	-	-	-	-	-	-	38.94	7.28				
(i)	Profit after Taxation	(56.02)	7.80	(436.96)	(7.34)	74.11	2.94	66.11	194.37	(9.47)	74.11	(701.83)	13.84	64.60	894.03	(1,579.74)	39.97				
(j)	Proposed Dividend						1.65	65.26	107.68				13.00	64.60	839.77						
(k)	% of Shareholding		100			100		100			100			100						25	100

★ Net of Debit balance of Profit & Loss Accounts.

▲ Includes Investments.

ANNEXURE "F"
FORMAOC - I

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

Sr. No.	Name of Joint Ventures / Associates	₹ in Lakhs									
		Forbes Aquatech Limited	Forbes Concept Hospitality Services Private Limited	Infinite Water Solutions Private Limited	Forbes G4S Solutions Private Limited	Aquagnis Technologies Private Limited	AMC Cookware PTE Limited	Euro P2P Direct (Thailand) Company Limited	Nuevo Consultancy Services Private Limited	Dhan Gaming Solution (India) Private Limited	
1	Latest Audited Balance sheet Date	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2018	December 31, 2017	March 31, 2018	March 31, 2018	March 31, 2018	
2	Share of Associate/ Joint Venture held by the company on the year end										
	Number of share held	5,00,000	26,25,000	35,00,000	5,000	29,27,867	5,000	19,596	58,849	10,000	
	Amount of Investment (₹ in lakhs)	50.00	262.50	350.00	0.50	292.79	2.58	26.68	5.88	0.01	
	Extend of Holding %	50%	50%	50%	50%	50%	50%	49%	49%	49%	
3	Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Associate	Associate	Associate	
4	Reason why the associate/ Joint venture is not consolidated	NA	NA	NA	NA	NA	NA	NA	NA	NA	
5	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in lakhs)	714.30	6.69	1,940.07	(2.57)	192.64	4,276.66	(2,585.95)	(47.11)	0.15	
6	Profit/Loss for the year										
	(1) Consider in Consolidation (₹ in lakhs)	160.71	0.28	307.61	(0.11)	7.38	116.08	-	-	-	
	(2) Not Considered in Consolidation (₹ in lakhs)	-	-	-	-	-	-	-	174.85	(0.07)	

For and on behalf of the Board

Shapoor P.Mistry
Chairman
Mumbai: May 28, 2018

DIVIDEND DISTRIBUTION POLICY

1. Background, Scope and Applicability

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

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

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

2. Dividend

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

3. Circumstances under which shareholders can expect Dividend

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

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

4. Parameters for declaration of Dividend

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

Financial Parameters / Internal Factors:

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

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

External Factors:

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

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

5. Utilization of Retained Earning

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

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

6. Manner of Dividend Payout

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

Final dividend: Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the

shareholders of the Company. The dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company. The payment of dividends shall be made within the statutorily prescribed period from the date of declaration, to those shareholders who are entitled to receive the dividend on the record date/book closure period, as per the applicable law.

7. Disclosures

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

8. General

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

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

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

9. Disclaimer

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

For and on behalf of the Board

Shapoor P. Mistry
Chairman
Mumbai, May 28, 2018

FORM NO. AOC - 2

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

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

1	Details of contracts or arrangements or transactions not at arm's length basis	Nil
2	Details of material contracts or arrangement or transactions at arm's length basis	Nil
	A Name(s) of the related party and nature of relationship	Nil
	B Nature of contracts/arrangements/transactions	Nil
	C Duration of the contracts/arrangements/transactions	Nil
	D Salient terms of the contracts or arrangements or transactions including the value, if any:	Nil
	E Date(s) of approval by the Board, if any:	Nil
F	Amount paid as advances, if any:	Nil

For and on behalf of the Board

Shapoor P. Mistry

Chairman

Mumbai, May 28, 2018

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

1. A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs.

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

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

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

The Company's CSR activities focus on :

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

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

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

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

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

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

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

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

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

2. **Composition of the CSR Committee**

The Composition of the CSR Committee is as follows:

Mr. D. Sivanandhan	Chairman	Independent Director
Ms. Aslesha A. Gowariker	Member	Independent Director
Mr. Mahesh Tahilyani	Member	Managing Director

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

Average net profit: ₹ 10.02 Crores.

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

The Company has committed ₹ 21 lakhs towards CSR initiatives for the Financial Year 2017-18.

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

- a) Total amount to be spent for the financial year 2017-18: ₹ 21 Lakhs.
- b) Amount unspent: ₹ 11.39 Lakhs. The said amount is committed and earmarked for construction of school building in Aurangabad after requisite approval is obtained. The construction work would start after receipt of requisite Governance approvals.

c) Manner in which the amount spent/committed during the financial year 2017-18 is as follows:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR Project or	Sector in which the Project is covered	Local area/ the State and district where projects or programs were undertaken	Amount outlay project or programs wise	Direct expenditure on projects	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
(₹ In Lakhs)							
1	Safe drinking water	Making available safe drinking water	Aurangabad, Maharashtra	1.20	1.20	1.20	Direct
2	Environment Preservation	Environment Sustainability	Aurangabad, Maharashtra	8.08 *	-*	-*	Direct
3	Supporting Schools	Promoting Education	Aurangabad, Maharashtra	11.72**	-**	-**	Direct

*Advance given during FY 2017-18 of ₹ 3.42 lakhs for Solar energy generation plant and total ₹ 8.08 lakhs has been spent in FY 2018-19.

**₹ 0.33 lakhs Advance given for supporting school and has been spent in FY 2018-19. The Company has committed and earmarked unspent balance of ₹ 11.39 Lakhs for FY 2017-18 towards partial reconstruction of a municipal school building in Aurangabad. The construction work would start after receipt of requisite approvals.

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

Advance given during FY 2017-18 of ₹ 8.41 lakhs for Solar Generation Plant and supporting school has been spent in FY 2018-19. The Company has entered into a Memorandum of Understanding (MoU) with Aurangabad Municipal Corporation for balance unspent balance of ₹ 11.39 Lakhs pertaining to FY 2017-18 towards partial reconstruction of a municipal school building in Aurangabad. The construction work would start after receipt of requisite approvals.

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

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

Mahesh Tahilyani
Managing Director
DIN: 01423084

D. Sivanandhan
Chairman of the CSR Committee
DIN:03607203

Mumbai, May 28, 2018

Nomination and Remuneration Policy

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 SEBI (Listing Obligations Disclosure Requirements) Regulations 2015 (SEBI LODR) shall be deemed to have been mutatis mutandis specifically incorporated in this Policy and in case any of the provision of this Charter is inconsistent with the provisions of Act and/or the SEBI LODR, the provisions of Act and/or the SEBI LODR shall prevail.
- ii. The capitalized words not specifically defined in the Policy shall have the same meaning as under the Act or the SEBI LODR or the Charter.
- iii. For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the Ministry of the Corporate Affairs or SEBI and/or any other authority.

OBJECTIVES

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

- Ensuing that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

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

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE

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

- Identify persons who are qualified to become Directors in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;
- Determine the criteria for selection, attributes and broad parameters for appointment of KMPs, evaluation and measurement of performance of KMPs and to recommend appointments of KMPs to the Board.
- Determine the criteria for selection, compensation structure, evaluation and measurement of performance of Senior Management Personnel.
- Ensure that the Board comprises of a balanced combination of Executive Directors and Non-Executive Directors and also the Independent Directors;

- Devise framework to ensure that Directors are inducted through suitable familiarization process covering their roles, responsibility and liability;
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines;
- Devise a policy/criteria on Board diversity;
- The NRC shall assist the Board in ensuring that plans are in place for orderly succession for appointments to the Board and to senior management; and
- Set up mechanism to carry out its functions and is further authorized to delegate any / all of its powers to any of the Directors and / or officers of the Company, as deemed necessary for proper and expeditious execution.
- 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.

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.

REMUNERATION OF MD

- The remuneration/ to the Managing Director will be determined by the NRC and recommended to the Board for approval. The remuneration/ compensation/profit-linked commission etc. shall be in accordance with the percentage/slabs/conditions laid down in the Articles of Association of the Company, Act and shall be subject to the prior/post approval of the members of the Company and Central Government, wherever required.
- Increments to the MD should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.
- The Remuneration to MD shall involve a balance between fixed and incentive pay reflecting short and long term performance and objectives appropriate to working of the Company and its goals.
- The Non-Executive Directors (Including Independent Directors) of the Company shall be paid sitting fees as per the

applicable Regulations as approved by the Board from time to time. The boarding and lodging expenses of Directors for attending meetings shall be reimbursed to the Directors based out of Mumbai.

- The profit-linked Commission shall be paid within the monetary limit approved by the members of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- Pursuant to the provisions of the Act, an Independent Director shall not be entitled to any stock option of the Company.
- Only such employees of the Company and its subsidiaries as approved by the NRC will be granted ESOPs.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

- Company's Corporate Profile, Organizational structure, the latest Annual Report, Code of Conduct, Policies and Charters applicable to Directors shall be provided to all Directors at the time of joining.
- A detailed Appointment Letter incorporating the role, duties and responsibilities, remuneration and performance evaluation process, code of conduct and obligations on disclosures shall be issued to the Independent Directors.
- The company shall provide suitable training to Independent Directors/Non-Executive Directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc. and they shall be formally introduced to the Business/ Unit Heads and Corporate Functional Heads.

UPDATING THE DIRECTORS ON A CONTINUING BASIS

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

- At the Board Strategy Meeting, presentations shall be made to the Directors on the Company's long term Vision and Strategy. Business Heads may also present their plans and priorities with the Board. This would enable the Directors to get a deeper insight in the operations of the Company.
- Periodic presentations on operations to the Board shall include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management changes, major litigation, compliances, subsidiary data, etc.
- Business Heads and Company Executives may be invited at Board or Committee Meetings and meetings of Directors for better understanding of the business and operations of the Company.

REMUNERATION TO KMPs AND SENIOR MANAGEMENT

- The level and composition to be paid to KMPs and Senior Management shall be reasonable and sufficient to attract, retain and motivate them and shall be also guided by external competitiveness and internal parity.
- The remuneration of KMPs and Senior Management Personnel shall be guided by the external competitiveness and internal parity. Internally, performance rating of all employees would be spread across a normal distribution curve.
- The remuneration of KMPs and Senior Management shall comply with the guidelines approved by the NRC.

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

For and on behalf of the Board

Shapoor P. Mistry
Chairman
Mumbai, May 28, 2018

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

1. a. Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year ended March 31, 2018.

Non-Executive Directors of the Board were paid only sitting fees during the financial year ended March 31, 2018 as follows:

Director	Sitting Fees (₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Non- Executive Directors		
Mr. Shapoor P. Mistry	1.00	0.18 : 1
Mr. Kaiwan D. Kalyaniwalla	6.00	1.09 : 1
Mr. D. Sivanandhan	6.50	1.18 : 1
Mr. Jai L. Mavani	3.00	0.54 : 1
Ms. Aslesha A.Gowariker	3.00	0.54 : 1

Remuneration to Executive Director

Director	(₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Mr. Mahesh Tahilyani	189.87	34.40 : 1

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

Executive Director, Chief Financial Officer and Company Secretary	% increase on Cost To Company
Mr. Mahesh Tahilyani, Managing Director	10%
Mr. Nirmal Jagawat, Chief Financial Officer	10%
Mr. Pankaj Khattar, Company Secretary	16%

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

The increase in median remuneration was 9.10%. The range of increase was from 3% to 27% (average 11%) barring a few employees who were given a higher percentage increase/market correction for market parity. New employees were given pro rata increase proportionate to the period of their stay in the Company.

3. Number of permanent employees on the rolls of Company as on March 31, 2018: 438 (previous year 434).

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

Average increase in remuneration of employees (other than KMPs) was 10.9%. The increase in remuneration is based on the Company's performance, individual performance, inflation, prevailing industry trends and benchmarks.

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

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

[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

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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 (hereinafter called the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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 thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**).
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (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 October, 2014 (Not Applicable to the Company during the Audit Period);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period);
- (vi) As Identified No law is specifically applicable to the company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after Listing Regulations)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that in one case where there was delay in processing of transmission request and the legal heir had requested for waiver of specified documents.

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 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 approved the issue of Non-Convertible Debentures to the extent of ₹ 120 Crores by way of Postal Ballot on 14th March, 2018

For Makarand M. Joshi & Co

Kumudini Bhalerao

Partner
Membership No. 6667
CP No. 6690

Place: Mumbai
Date: May 28, 2018

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

'Annexure A'

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For Makarand M. Joshi & Co

Kumudini Bhalerao

Partner
Membership No. 6667
CP No. 6690

Place: Mumbai
Date: May 28, 2018

Annexure 'VIII'

Particulars of Technology Absorption and Foreign Exchange Earnings and Outgo, as per section 134(3)(m) of the Companies Act , 2013 and the Rules made therein and forming part of Directors' Report for the year ended March 31, 2018.**(A) Conservation of Energy:**

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

(a) Energy Conservation Measures Taken:

The consolidation efforts for various product lines have resulted in minor savings.

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

Not significant impact.

(ii) Steps taken by the company for utilising alternate source of energy

The Company is exploring option of solar energy at Waluj plant.

(iii) Capital investment on energy conservation equipment : Nil

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

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

Waluj Plant**1. Solid Carbide Operation**

In our efforts in the direction to empower customers with Innovative Solutions, company has developed new product program in high performance drills for specific application, which has helped customer increased productivity & cost competitiveness.

Company has developed special toolings for specific industries for both export & domestic market. The said special tooling is having wide product range and capable to machine difficult to cut material like Titanium, Inconel & stainless steel.

As a part of technology upgradation the Company has:

- Upgraded inspection process from two dimensional measurement systems to 3D scanning which gives precise measurements and better results.
- Upgraded the process for improving tool surface finish. Tool surface finish is important part for better tool life; this process is enhanced by adopting new advance technology of magnet finish.

- Upgraded the product design and validation process with new application simulation software. This, helps to simulate customer specific applications through software which helps faster & accurate product development.

Software for reverse engineering to bench mark competitors' products**2. Industrial Automation / Coding Business Group (CBG)****CBG has introduced many platforms for smart manufacturing & Industry 4.0**

- Remote Machine diagnose, monitor & controlling of any PLC through LAN network.
- SMART Human Machine Interface (HMI) development for machine diagnostic, control overview.
- RFID application for Part traceability from Input station to output station with report upgradation in MES server.
- TYPE-4 safety devices configured in Machine safety.

CBG build technology for conversion of conventional machines to CNC machine which will lead to self-sustenance & future revenue stream

3. Chandivali Plant

HSS taps being flagship product, Totem has introduced new products for difficult to machine material application.

Implemented new sub-zero surface treatment to enhance product performance.

Created special solution for heavy Engineering large diameter Tapping & for Oil & gas sector.

Adapted new technology for manufacturing of carbide Taps.

All of this has created avenues for new market & increased business share

- ii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)
- | | | |
|--|---|-----------------------------------|
| <ul style="list-style-type: none"> a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and | } | <p>Nil and
Not Applicable</p> |
|--|---|-----------------------------------|
- iii) the expenditure incurred on Research and Development: Nil

Foreign exchange earnings and outgo:

(₹ In Lakhs)

(a)	Foreign exchange earnings:	
1.	Export of goods calculated on FOB basis	2195.30
2.	Commission and other Services	490.29
3.	Freight and Insurance recoveries	31.62
	Total	2717.21
(b)	Foreign exchange outgo:	
1.	Imports calculated on CIF basis – Raw material	3228.11
2.	Imports calculated on CIF basis – stores, spares and tools	159.15
3.	Imports calculated on CIF basis – purchase for re-sale	2.17
4.	Imports calculated on CIF basis – Capital Goods	1029.40
5.	Commission to overseas agents/Brokerage	35.78
6.	Foreign travel	56.55
7.	Others	114.58
	Total	4625.74

For and on behalf of the Board

Shapoor P. Mistry

Chairman

Mumbai, May 28, 2018

Form No. MGT-9
EXTRACT OF ANNUAL REPORT
as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

(i)	CIN	L17110MH1919PLC000628
(ii)	Date of Incorporation	November 18, 1919
(iii)	Name of the Company	Forbes & Company Limited
(iv)	Category	Company Limited by Shares
(v)	Sub-category of the Company	Indian Non-Government Company
(vi)	Address of the Registered Office and Contact Details	Forbes' Building, Charanjit Rai Marg, Fort Mumbai 400 001 Telephone No : +91 22 61358900 Fax No: +91 22 61358901 E-mail: investors.relations@forbes.co.in Website: www.forbes.co.in
(vii)	Whether Listed or Not	Yes
(viii)	Name, Address and Contact Details of Registrar and Transfer Agent, if any	TSR Darashaw Limited Address: 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Near Famous Studio, Mahalaxmi, Mumbai-400 011. Telephone No: +91 22 66568484 Fax No: +91 22 66568494 E-mail: csg-unit@tsrdarashaw.com Website - www.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	28221	26%
Carbide Tools	25939	15%
Real Estate Contract	41001	32%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATES COMPANIES:

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

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
6	Euro Forbes Financial Services Ltd. B1/B2, 7th Floor, 701, Marathon Innova Off Ganpatrao Kadam Marg, Lower Parel Mumbai-400 013	U67190MH2011PLC214424	Subsidiary	100	2(87)
7	Euro Forbes Ltd. 409, City Tower 1, Sheikh Zayed Road, Dubai, United Arab Emirates	Not Applicable	Subsidiary	100	2(87)
8	Forbes Bumi Armada Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001	U35100MH2006PLC159958	Subsidiary	51	2(87)
9	Forbes Campbell Finance Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001.	U51103MH1977PLC259702	Subsidiary	100	2(87)
10	Forbes Campbell Services Ltd. Cassinath Building, A K Nayak Marg, Fort, Mumbai 400 001	U74140MH1975PLC018077	Subsidiary	98	2(87)
11	Forbes Enviro Solutions Ltd. B1/B2, 7th Floor, 701, Marathon Innova Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	U27310MH2008PLC188478	Subsidiary	100	2(87)
12	Forbes Facility Services Pvt. Ltd. B1/B2, 7th Floor, 701, Marathon Innova Ganpatrao Kadam Marg, Lower Parel, Mumbai-400 013	U74930MH2004PTC147742	Subsidiary	100	2(87)
13	Forbes International AG (earlier known as Forbes Lux Group AG) Blickensdorferstrasse 21B, 6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
14	Forbes Lux FZCO LOB 17, Office 207, PO Box 261698, Jebel Ali, Dubai, United Arab Emirates	Not Applicable	Subsidiary	99.42	2(87)
15	Forbes Lux International AG Seestrasse 39, CH - 8700 Kusunacht ZH, Switzerland	Not Applicable	Subsidiary	100	2(87)
16	Forbes Technosys Ltd. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai-400 001	U29290MH1991PLC062425	Subsidiary	100	2(87)
17	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)
18	Lux del Paraguay S.A (Formerly known as Hoger Paraguay Electrodomesticos S.A) Estrella 764 Casi Ayolas, Asuncion, Paraguay	Not Applicable	Subsidiary	50	2(6)
19	Lux (Deutschland) GmbH Petersberger Strasse 21 36037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
20	Lux Aqua Czech s.r.o Ke Slivenci 48-154 00 Praha 5 Lochkov, Czech Republic	Not Applicable	Subsidiary	100	2(87)
21	Lux Aqua Hungaria KFT Javor utca, 5/a, 1145, Budapest, Hungaria	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
22	Lux Aqua Paraguay SA Estrella 764 casi Ayolas, Asunción, Paraguay	Not Applicable	Subsidiary	90	2(87)
23	Lux Hungaria Kereskedelmi.Kft Javor u. 5/a1145 Budapest, Hungary	Not Applicable	Subsidiary	100	2(87)
24	Lux International AG Seestrasse 39, CH - 8700 Kusknacht ZH Switzerland	Not Applicable	Subsidiary	100	2(87)
25	Lux International Services & Logistics GmbH (Formerly: Lux Service GmbH) Petersberger Strasse 2136037 Fulda, Germany	Not Applicable	Subsidiary	100	2(87)
26	Lux International Services Kft Hungary	Not Applicable	Subsidiary	100	2(87)
27	Lux Italia s.r.l Palazzo Cassiopea, 3 - Centro Direzionale Colleoni Via Paracelso 26, 20864, Agrate Brianza-MB, Italy	Not Applicable	Subsidiary	100	2(87)
28	Lux Norge AS Nye Vakas vei 64, 1395 Hvalstad, Norway	Not Applicable	Subsidiary	100	2(87)
29	Lux Osterreich GmbH Concorde Park, 1, 2320 Schwechat, Vienna, Austria	Not Applicable	Subsidiary	100	2(87)
30	Lux Professional International GmbH, Switzerland Blickensdorferstrasse, 21B, 6340, Baar, Switzerland	Not Applicable	Subsidiary	100	2(87)
31	Lux Schweiz AG Oberdorfstrasse 19, 6260, Reiden, Switzerland	Not Applicable	Subsidiary	100	2(87)
32	Shapoorji Pallonji Forbes Shipping Ltd A-113, Floor 11th, Plot 244, A Wing, Mittal Court, Jamanalal Bajaj Marg, Nariman Point, Mumbai - 400021	U61100MH2006PLC163149	Subsidiary	25	2(87)
33	Volkart Fleming Shipping and Services Ltd. Cassinath Building, A. K. Nayak Marg, Fort, Mumbai-400001	U63090MH1920PLC000808	Subsidiary	100	2(87)
34	AMC Cookware (Pty) Ltd 4, Castor Road, Lansdowne, PO Box. 24200, 7779 Cape Town, South Africa	Not Applicable	Associate	50	2(6)
35	Aqualgnis Technologies Pvt Ltd Khasra No. 3946,3961 & 3962 Lal Tappar Industrial Area, Majri Grant, Dehradun - 248140	U31908UR2012PTC000450	Associate	50	2(6)
36	Dhan Gaming Solution (India) Private Limited Shapoorji Pallonji Centre, 41/44, Minoos Desai Marg, New Radio Club, Colaba, Mumbai 400 005	U92490MH2003PTC139673	Associate	49	2(6)
37	Euro P2P Direct (Thailand) Co. Ltd 98/120-121, Nuanchan Road, Nuanchan, Khet Bungkum, Bangkok 10230 Thailand	Not Applicable	Associate	49	2(6)
38	Forbes Aquatech Ltd. 36/4, Annexe Building, 4th Cross, Raghavendra Nagar, HRNR Layout, Hennur Ring Road, Bangalore, Karanataka, 560 043	U28122KA2003PLC032492	Associate	50	2(6)
39	Forbes Concept Hospitality Services Pvt Ltd. B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U55101MH2006PTC162855	Associate	50	2(6)

Sr. No.	Name of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
40	Forbes G4S Solutions Pvt Ltd C-16, Community Centre, Janakpuri, Behind Janak Cinema, New Delhi 110058	U52100DL2010PTC206267	Associate	50	2(6)
41	Infinite Water Solutions Pvt Ltd B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013.	U749999MH2008PTC180918	Associate	50	2(6)
42	Nuevo Consultancy Services Private Ltd. (Formerly Forbes Infotainment Ltd) Shapoorji Pallonji Centre, 41/44, Minoo Desai Marg, Colaba, Mumbai 400 005	U70200MH2003PTC139672	Associate	49	2(6)

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

i) Category-wise / Shareholdings

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
I	Indian									
	A. Promoters									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	95,25,691	0	95,25,691	73.85	95,25,691	0	95,25,691	73.85	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (1)	95,25,691	0	95,25,691	73.85	95,25,691	0	95,25,691	73.85	0.00
(2)	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group (A)	95,25,691	0	95,25,691	73.85	95,25,691	0	95,25,691	73.85	0.00
(B)	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds / UTI	142	250	392	0.00	142	250	392	0.00	0.00
(b)	Financial Institutions / Banks	11,767	7,288	19,055	0.15	11,767	7,288	19,055	0.15	0.00
(c)	Central Government / State Governments(s)	30,363	79,980	1,10,343	0.86	30,392	79,980	1,10,372	0.86	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	500	500	0.00	0	500	500	0.00	0.00
(f)	Foreign Institutional Investors	0	50	50	0.00	0	50	50	0.00	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
(i)	Foreign Portfolio Investors (Corporate)	14,95,426	0	14,95,426	11.59	14,81,401	0	14,81,401	11.48	-0.11
	Sub-Total (B) (1)	15,37,698	88,068	16,25,766	12.60	15,23,702	88,068	16,11,770	12.50	-0.11
(2)	Non-Institutions									
(a)	Bodies Corporate									

Sr. No.	Category of Shareholders	No. of Shares held at the beginning of the year i.e. April 1, 2017				No. of Shares held at the end of the year i.e. March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	i) Indian	2,36,677	11,281	2,47,958	1.92	2,10,205	11,281	2,21,486	1.72	-0.21
	ii) Overseas	46,650	1,580	48,230	0.37	0	1,580	1,580	0.01	-0.36
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,83,246	4,42,386	12,25,632	9.50	8,40,233	4,26,811	12,67,044	9.82	0.32
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,24,699	0	2,24,699	1.74	2,00,349	0	2,00,349	1.55	-0.19
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(i)	Trust	640	0	640	0.00	640	0	640	0.00	0.00
(ii)	NBFC	0	0	0	0.00	70,056	0	70,056	0.54	0.54
	Sub-total (B) (2)	12,91,912	4,55,247	17,47,159	13.55	13,21,483	4,39,672	17,61,155	13.65	0.11
	Total Public Shareholding (B) = (B)(1)+(B)(2)	28,29,610	5,43,315	33,72,925	26.15	28,45,185	5,27,740	33,72,925	26.15	0.00
	TOTAL (A)+(B)	1,23,55,301	5,43,315	1,28,98,616	100.00	1,23,70,876	5,27,740	1,28,98,616	100.00	0.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A)+(B)+(C)	1,23,55,301	5,43,315	1,28,98,616	100.00	1,23,70,876	5,27,740	1,28,98,616	100.00	0.00

ii) Shareholding Pattern of Promoters:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. April 1, 2017			Shareholding at the end of the year i.e. March 31, 2018			% 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
	Total	95,25,691	73.85	-	95,25,691	73.85	-	No Change

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	There is no change in Promoters' Shareholding between April 1, 2017 to March 31, 2018			
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
3	At the end of the year				

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

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2017		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, 2017	At the beginning of the year	11,48,255	8.9	11,48,255	8.9
	March 31, 2018	At the end of the year			11,48,255	8.9
Antara India Evergreen Fund Ltd	April 1, 2017	At the beginning of the year	3,33,146	2.39	3,33,146	2.39
	March 31, 2018	At the end of the year			3,33,146	2.39
Governor of Kerala	April 1, 2017	At the beginning of the year	79,980	0.62	79,980	0.62
	March 31, 2018	At the end of the year			79,980	0.62
Mangal Bhanshali	April 1, 2017	At the beginning of the year	75,400	0.58	75,400	0.58
	March 31, 2018	At the end of the year			75,400	0.58
SPS Finquest Limited	April 1, 2017	At the beginning of the year	62,047	0.48	62,047	0.48
	May 19, 2017	Purchase of Shares	5,010	0.04	67,057	0.52
	August 24, 2017	Purchase of Shares	808	0.01	67,865	0.53
	September 01, 2017	Purchase of Shares	3,177	0.02	71,042	0.55
	December 29, 2017	Purchase of Shares	11,550	0.09	82,592	0.64
	March 30, 2018	Sale of Shares	-13,000	-0.10	69,592	0.54
	March 31, 2018	Sale of Shares/ At the end of the year	-8,750	-0.07	69,592	0.54
SPS Share Brokers Pvt. Ltd.	April 1, 2017	At the beginning of the year	35,962	0.28	35,962	0.28
	May 26, 2017	Purchase of Shares	600	0.00	36,562	0.28
	June 02, 2017	Sale of Shares	-600	0.00	35,962	0.28
	July 14, 2017	Purchase of Shares	7500	0.06	43,462	0.34
	July 21, 2017	Purchase of Shares	12761	0.10	56,223	0.44
	August 11, 2017	Purchase of Shares	9817	0.08	66,040	0.51
	August 17, 2017	Sale of Shares	-130	0.00	65,910	0.51
	August 24, 2017	Purchase of Shares	915	0.01	66,825	0.52
	September 01, 2017	Purchase of Shares	202	0.00	67,027	0.52
	September 08, 2017	Sale of Shares	-212	0.00	66,815	0.52
	September 15, 2017	Purchase of Shares	524	0.00	67,339	0.52
	September 22, 2017	Sale of Shares	-529	0.00	66,810	0.52
	September 29, 2017	Purchase of Shares	5307	0.04	72,117	0.56
	November 03, 2017	Purchase of Shares	25	0.00	72,142	0.56
	November 10, 2017	Sale of Shares	-25	0.00	72,117	0.56
	November 17, 2017	Purchase of Shares	100	0.00	72,217	0.56
November 24, 2017	Sale of Shares	-80	0.00	72,137	0.56	
December 01, 2017	Purchase of Shares	604	0.00	72,741	0.56	

Name of Shareholder	Date	Reason	Shareholding at the beginning of the year April 1, 2017		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	December 08, 2017	Sale of Shares	-561	0.00	72,180	0.56
	December 15, 2017	Purchase of Shares	3085	0.02	75,265	0.58
	December 22, 2017	Sale of Shares	-4613	-0.04	70,652	0.55
	December 29, 2017	Sale of Shares	-17169	-0.13	53,483	0.41
	January 05, 2018	Sale of Shares	-16	0.00	53,467	0.41
	January 12, 2018	Purchase of Shares	19	0.00	53,486	0.41
	January 19, 2018	Sale of Shares	-9	0.00	53,477	0.41
	January 26, 2018	Purchase of Shares	140	0.00	53,617	0.42
	January 26, 2018	Sale of Shares	-10	0.00	53,607	0.42
	February 09, 2018	Sale of Shares	-140	0.00	53,467	0.41
	March 02, 2018	Purchase of Shares	5	0.00	53,472	0.41
	March 09, 2018	Sale of Shares	-5	0.00	53,467	0.41
	March 16, 2018	Purchase of Shares	60	0.00	53,527	0.41
	March 23, 2018	Sale of Shares	-35	0.00	53,492	0.41
	March 30, 2018	Purchase of Shares	13000	0.10	66,492	0.52
	March 30, 2018	Sale of Shares	-25	0.00	66,467	0.28
	March 31, 2018	At the end of the year			66,467	0.52
Akash Bhanshali	April 1, 2017	At the beginning of the year	44,700	0.35	44,700	0.35
	March 31, 2018	At the end of the year			44,700	0.35
A & N Ventures Private Limited	April 1, 2017	At the beginning of the year	42,630	0.33	42,630	0.33
	March 31, 2018	At the end of the year			42,630	0.33
Kerala State Industrial Development Corporation	April 1, 2017	At the beginning of the year	30,363	0.24	30,363	0.24
	March 31, 2018	At the end of the year			30,363	0.24
Kairus Shavak Dadachanji #	April 1, 2017	At the beginning of the year	23,949	0.19	23,949	0.19
	March 31, 2018	At the end of the year			23,949	0.19
Yonkers Finance Corporation Limited *	April 1, 2017	At the beginning of the year	46,650	0.36	46,650	0.36
	June 09, 2017	Sale of Shares	-46,650	-0.36	0	0.00
	March 31, 2018	At the end of the year			0	0.00

* Ceased to be in the list of top 10 shareholder as on March 31, 2018. The same is reflected above since the shareholder was one of the top 10 shareholders as on April 1, 2017.

Not in the list of top 10 shareholders as on April 1, 2017. The same is reflected above since the shareholder was one of the top 10 shareholders as on March 31, 2018.

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	At the beginning of the year	None of the Directors and Key Managerial Personnel 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 and Key Managerial Personnel had any transaction in the shares of the Company during the year			
3	At the end of the year	None of the Directors and Key Managerial Personnel held shares in the Company at the end of the year			

V. INDEBTEDNESS:

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

₹ in Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	10,067.33	4,920.09	--	14,987.42
(ii) Interest due but not paid	--	--	--	-
(iii) Interest accrued but not due	104.62	--	--	104.62
(iv) Premium accrued but not due on NCD	--	--	--	-
(v) Cash Credit utilization	--	--	--	-
Total (i+ii+iii+iv+v)	10,171.95	4,920.09		15,092.04
Change in Indebtedness during the financial year				
•Addition	15.52	33,970.75	--	33,986.27
• Reduction	(103.78)	(32,000.00)	--	(32,103.78)
Net Change	(88.26)	1,970.75	--	1,882.49
Indebtedness at the end of the financial year				
(i) Principal Amount	9,979.07	6,890.84	--	16,869.91
(ii) Interest due but not paid	--	--	--	-
(iii) Interest accrued but not due	98.42	--	--	98.42
(iv) Premium accrued but not due on NCD	--	--	--	-
(v) Cash Credit Utilization	--	--	--	-
Total (i+ii+iii+iv+v)	10,077.49	6,890.84	--	16,968.33

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Name of the Managing Director
		Mr. Mahesh Tahilyani
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	115.18
	(b) Value of perquisites u/s 17(2) of the Income tax Act,1961	5.03
	(c) Profits in lieu of Salary u/s 17(3)of the Income Tax Act,1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	-as % of Profit	-
	-others, specify	-
5	Others - Annual Performance Incentive	63.25
	Total (A)	183.46
	Ceiling as per the Companies Act, 2013	NA *

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

B. Remuneration to other Directors:

₹ in Lakhs

Sr. No.	Particulars of Remuneration	Fees for attending Board/ Committee Meetings
1	Independent Directors	
	Mr. Kaiwan D. Kalyaniwalla	6.00
	Mr. D. Sivanandhan	6.50
	Ms. Aslesha A. Gowariker	3.00
	Total (1)	15.50
2	Other Non-Executive Directors	
	Mr. Shapoor P. Mistry	1.00
	Mr. Jai L. Mavani	3.00
	Total (2)	4.00
	Total (B)=(1+2)	19.50
	Total Managerial Remuneration	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

₹ in Lakhs

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Chief Financial Officer	Company Secretary	Total
		Mr. Nirmal Jagawat	Mr. Pankaj Khattar	
1	Gross Salary			
	(a) Salary as per provision contained in Section 17 (1) of the Income tax Act, 1961	51.94	49.01	100.95
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	1.12	0.08	1.20
	(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 - Annual Performance Incentive	4.69	12.42	17.11
	Total	57.75	61.51	119.26

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Business Responsibility Report FY 2017-18

(As per Regulation 34 (2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Section A: General information about the Company

1.	Corporate Identity Number (CIN) of the Company	:	L17110MH1919PLC000628								
2.	Name of the Company	:	Forbes & Company Limited								
3.	Registered Address	:	Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001								
4.	Website	:	www.forbes.co.in								
5.	E-mail ID	:	investor.relations@forbes.co.in								
6.	Financial Year reported	:	April 1, 2017 – March 31, 2018								
7.	Sector(s) that the Company is engaged in) industrial activity code-wise)	:	<table border="1"> <thead> <tr> <th>NIC Code</th> <th>Product Description</th> </tr> </thead> <tbody> <tr> <td>28221</td> <td>Threading Tools</td> </tr> <tr> <td>25939</td> <td>Carbide Tools</td> </tr> <tr> <td>41001</td> <td>Realty</td> </tr> </tbody> </table>	NIC Code	Product Description	28221	Threading Tools	25939	Carbide Tools	41001	Realty
NIC Code	Product Description										
28221	Threading Tools										
25939	Carbide Tools										
41001	Realty										
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Manufacture of Precision Engineering Tools for Industrial Applications, Printing and Embossing (Conventional and Automated) Marking Machines Automation System and Development of Real Estate								
9.	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (provide details of major 5) (b) Number of National Locations	:	Nil 2 plants, 10 offices including Registered Office, Regional Offices and Sales Offices.								
10.	Markets served by the Company-Local/State/National/International	:	India, Middle East, Europe and Latin America								

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	₹ 12.90 Crores
2.	Total Turnover (INR)	:	₹ 297.81 Crores (Standalone) ₹ 2828.08 Crores (Consolidated)
3.	Total profit after taxes (INR)	:	₹ 40.90 Crores (Standalone) ₹ (32.21) Crores (Consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profits after tax (%)	:	The Company had budgeted ₹ 21 lakhs for spending on Corporate Social Responsibility initiatives. The Company has spent ₹ 1.20 lakhs and given advance of ₹ 8.41 Lakhs for Projects towards Education and Environment Preservation in FY 2017-18. Advance
5.	List of activities in which expenditure in 4 above has been incurred (a) Education; (b) Health Care; (c) Hygiene and Sanitation	:	has been spent in FY 2018-19. The Company has entered into a Memorandum of Understanding (MoU) with Aurangabad Municipal Corporation for balance unspent balance of ₹ 11.39 Lakhs pertaining to FY 2017-18 towards partial reconstruction of a municipal school building in Aurangabad. The construction work would start after receipt of requisite approvals.

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

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

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

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

- P 1:** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P 2:** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P 3:** Businesses should promote the wellbeing of all employees.
- P 4:** Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
- P 5:** Businesses should respect and promote human rights
- P 6:** Businesses should respect, protect and make efforts to restore the environment
- P 7:** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P 8:** Businesses should support inclusive growth and equitable development
- P 9:** Businesses should engage with and provide value to consumers and consumers in a responsible manner.

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

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

* www.forbes.co.in

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

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

3. Governance related to BR

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

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

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

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

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

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

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

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

Principle 2

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

- Spring Washers
- HSS Taps
- Carbon Taps and Dies

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

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

Not significant reduction.

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

Not significant reduction.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation) ? Yes**

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

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

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

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

Most of the Job work, consumables, packing materials, maintenance spares & toolings are procured from local vendors. Local transportation is being done through local vendors who are working for company. Company promotes small entrepreneurs to expand their capacity and facility by helping them with technological know-how and hand holding. Many small scale vendors are also working for Company.

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

Sewage treatment plant at factories has resulted in saving of 10000 litres of water per day.

Effluent treatment plant is operational since January 2018 at the Waluj Factory. Treated effluent is handed over the Common Effluent Treatment Plant, Waluj regularly for disposal.

Principle 3

1. **Please indicate the total number of permanent employees:** 438

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 150

3. **Please indicate the number of permanent women employees:** 18

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

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

6. **What percentage of your permanent employees is member of this recognised employee association?:** 21.28 %

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

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?: a) Permanent Employees: 89.62%; b) Permanent Women Employees: 60%; c) Casual /Temporary/Contractual Employees: 88.98%; d) Employees with Disabilities: Nil

Principle 4

1. Has the company mapped its internal and external stakeholders ? Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders? Yes
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable & marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has taken initiative under Corporate Social Responsibility, to partially reconstruct Municipal school building in Aurangabad, wherein the students from local slums are studying. The construction would commence after receipt of requisite approvals are obtained.

Principle 5

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

The Policy is applicable to the Company and its subsidiaries and its vendors.
2. How many stakeholders complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? Nil

Principle 6

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

The Policy is applicable to the Company and its subsidiaries and its vendors.
2. Does the company have strategies /initiatives to address global environment issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

The Company in order to check and prevent pollution had since past 2-3 years initiated Tree Plantation program at its factory in Waluj. The same was continued during year 2017-18. In Waluj factory the Company has developed around 2000 Sq Ft of Green belt. This is an ongoing initiative recognising the need for preserving the environment.

3. Does the company identify and assess potential environmental risks? Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed? Not Applicable.
5. Has the company undertaken any other initiatives on- clean technology, energy efficiency, renewable energy, etc Y/N. If yes, please give hyperlink for web page etc.

Under Corporate Social Responsibility, the Company installed Solar Power generation system of 10 KW and also installed Reverse Osmosis water plant to provide safe drinking water at an Orphanage in Satara, Aurangabad.
6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported? Yes
7. Number of show cause / legal notices received from CB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year. None

Principle 7

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

Yes. Some of the organisations are
(a) Bombay Chamber of Commerce & Industry;
(b) Confederation of Indian Industry;
(c) Indian Merchants' Chamber;
(d) The Council of EU Chambers of Commerce in India and;
(e) Indian Cutting Tools Manufacturer's Association;
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No, If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)?

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

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8 ? If yes details thereof. No.
2. Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization ? No.
3. Have you done any impact assessment of your initiative? No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken:

The Company as a part of its CSR activity has during the FY 2017-18 under taken the following community development projects:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR Project or	Sector in which the Project is covered	Local area/ the State and district where projects or programs were undertaken	Amount outlay project or programs wise	Direct expenditure on projects	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
(₹ In Lakhs)							
1	Safe drinking water	Making available safe drinking water	Aurangabad, Maharashtra	1.20	1.20	1.20	Direct
2	Environment Preservation	Environment Sustainability	Aurangabad, Maharashtra	8.08 *	-*	-*	Direct
3	Supporting Schools	Promoting Education	Aurangabad, Maharashtra	11.72**	-**	-**	Direct

*Advance given during FY 2017-18 of ₹ 3.42 lakhs for Solar energy generation plant and total ₹ 8.08 lakhs has been spent in FY 2018-19.

**₹ 0.33 lakhs Advance given and has been spent in FY 2018-19. The Company has committed and earmarked unspent balance of ₹ 11.39 Lakhs for FY 2017-18 towards partial reconstruction of a municipal school building in Aurangabad. The construction work would start after receipt of requisite approvals.

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

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

Principle 9

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

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

No, currently the Company displays information as mandated by law.

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

4. Did your company carry out any consumer survey/consumer satisfaction trends? No

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.:

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

Code of Ethics

The Company has strong 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, 2018. 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, 2018. 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, 2018 comprised of Six Directors. The Chairman of the Board is Non-Executive. Five (83%) Directors are Non-Executive and Three (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 Obligations and Disclosures Requirements) Regulations, 2015 (SEBI LODR).

The Company is managed by the Managing Director under the supervision, direction and control of the Board. The Managing Director is assisted by a team of highly qualified and experienced professionals. None of the 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/she 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. Six meetings were held during the Financial Year (FY) ended March 31, 2018 on April 27, 2017, May 24, 2017, August 9, 2017, August 24, 2017, November 8, 2017 and January 24, 2018.

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

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

The names and categories of the Directors on the Board, their attendance at the Board Meetings and Annual General Meeting (AGM) held during the year, the number of Chairmanships /Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ("the Act") and the Committees of Board (Chairmanship /Membership of Board Committees include only Audit Committee and Stakeholders Relationship /Investors Grievance Committee across all public limited companies (listed as well as unlisted) including those of the Company), held by them as on March 31, 2018 are as follows:

Name of the Director	Category	Number of Board Meetings during the F.Y 2017-18		Attendance at AGM held on August 24, 2017	Number of Shares held	Relationship with 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	Non- Executive, Non-Independent	6	2	Yes	NIL	None	4	Nil	Nil
Mr. Mahesh Tahilyani	Non-Independent, Executive	6	6	Yes	NIL	None	6	Nil	2
Mr. Kaiwan D. Kalyaniwalla	Non-Executive, Independent	6	6	Yes	NIL	None	5	4	Nil
Mr. D. Sivanandhan	Non-Executive, Independent	6	6	Yes	NIL	None	7	1	5
Mr. Jai L. Mavani	Non- Executive, Non-Independent	6	6	No	NIL	None	4	Nil	Nil
Ms. Aslesha A. Gowariker	Non-Executive, Independent	6	5	Yes	NIL	None	3	1	2

Meeting of Independent Directors

The Independent Directors met 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 is attended by all Independent Directors.

CEO/CFO Certification

As required by the Regulation 17(8) of SEBI LODR, the Certificate from Mr. Mahesh Tahilyani, Managing Director and Mr. Nirmal Jagawat, Chief Financial Officer was placed before the Board of Directors at their meeting held on May 28, 2018.

Audit Committee

In compliance with section 177 of the Act and Regulation 18 of SEBI LODR 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, debenture holders, shareholders and creditors;
- To review the functioning of the Whistle Blower mechanism;

- xviii. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc of the candidate;
- xix. Reviewing, with the management, financial statements, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act;
 - 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 (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 read with Section 177 of the Act. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors and 1 Executive Director. The Committee functions under the Chairmanship of Mr. Kaiwan D. Kalyaniwalla, 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 24, 2017, August 9, 2017, November 8, 2017 and January 24, 2018. The Composition of the Committee and details of meeting attended by its members is as follows:

Name of the Director	Category	No. of Audit Committee meetings held	No. of meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman	Non-Executive, Independent	4	4
Mr. D. Sivanandhan	Non-Executive, Independent	4	4
Mr. Mahesh Tahilyani	Non-Independent, Executive	4	4

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, the Board has constituted Nomination and Remuneration Committee. The meeting of Nomination and Remuneration Committee was held on April 27, 2017. The Composition of the Committee and details of meeting attended by its members is as follows:

Name of the Director	Category	No. of Nomination and Remuneration Committee meetings held	No. of meetings attended
Mr. Kaiwan D. Kalyaniwalla Chairman	Non-Executive, Independent	1	1
Mr. Shapoor P. Mistry	Non- Executive, Non-Independent	1	-
Mr. D. Sivanandhan	Non-Executive, Independent	1	1

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, 2018 are as follows:

a) Non-Executive Directors:

(₹ in Lakhs)

Name of Director	Sitting Fees
Mr. Shapoor P. Mistry	1.0
Mr. Kaiwan D. Kalyaniwalla	6.0
Mr. D. Sivanandhan	6.5
Mr. Jai L. Mavani	3.0
Ms. Aslesha A. Gowariker	3.0

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 2017-18.

b) Managing Director

₹ in Lakhs

Particulars	Mr. Mahesh Tahilyani
Salary and Allowance	115.17
Contribution to Provident Fund, Superannuation Fund, Perquisites and Other Benefits	11.45
Annual Performance Incentive	63.25
Total	189.87

Stakeholders' Relationship Committee

In compliance with the provisions of section 178 of the Act and Regulation 20 of SEBI LODR, 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. Mahesh Tahilyani	Executive, Non-Independent
Mr. D. Sivanandhan	Non-Executive, Independent

The 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, 2018.

Corporate Social Responsibility Committee

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

- Review of the CSR activities to be undertaken by the Company. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Act and this Policy;
- Formulate and recommend the projects to be supported to the Board and the CSR activities/programs to be undertaken by the Company;
- Recommend the CSR expenditure to be incurred on the CSR activities/programs;
- Institute a mechanism for implementation of the CSR projects and activities and effectively monitor the execution of the CSR activities;
- Appointment of a working group called the CSR Team to help it enable the implementation of the CSR projects/activities; and
- Such other responsibilities as may be entrusted by the Board from time to time.

The CSR committee comprises of 2 Independent Directors and 1 Non Independent Director. The meeting of Corporate Social Responsibility Committee was held on January 28, 2018. The Composition of the Committee and details of meeting attended by its members is as follows:

Name of Director	Category	No. of CSR Meetings held	No. of Meetings attended
Mr. D. Sivanandhan Chairman	Non-Executive, Independent	1	1
Mr. Mahesh Tahilyani	Executive, Non-Independent	1	1
Ms. Aslesha A. Gowariker	Non-Executive, Independent	1	-

General Body Meetings

The details of date, time and venue of the AGMs held during the last three years till March 31, 2018 are as under:

Particulars	Date	Time	Venue
96th Annual General Meeting	September 1, 2015	4.00 p.m	Indian Merchant Chambers, Walchand Hirachand Hall, IMC Building ,4th Floor IMC Marg, Churchgate, Mumbai 400020
97th Annual General Meeting	August 24, 2016	4.00 p.m	“Rangswar”, 4th floor, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhosle Marg, Nariman Point, Mumbai – 400021
98th Annual General Meeting	August 24, 2017	4.00 p.m	Indian Merchants’ Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400020

Details of Special Resolutions passed in the previous 3 AGMs:

September 1, 2015	Issue of Non-Convertible Debentures through Private Placement upto ₹ 100 Crores.
	Adoption of new Articles of Association of the Company
August 24, 2016	Issue of Non-Convertible Debentures through Private Placement upto ₹ 150 Crores.
	Approval of remuneration of Mr. Ashok Barat as Managing Director.
	Appointment and Remuneration of Mr. Mahesh Tahilyani as Managing Director of the Company

Details of Special Resolutions passed through Postal Ballot in last 3 years:

February 19, 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 (Jawaharial Nehru Port Trust) near Mumbai.
March 15, 2018	Issue of Non-Convertible Debentures through Private Placement.

Related Party Transactions

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

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, 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

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. The status of compliance with discretionary requirements under Regulation 27(1) and Part E Schedule II of SEBI LODR 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 2017-18 does not contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non- Executive Director. The Company has appointed Managing Director to take care of the day-to-day affairs of the Company

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 Tuesday, the September 25, 2018 at 4.00 PM at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020
Financial Year	The Company follows the April – March financial year
Book Closure Date	The Register of Members and the Share Transfer Book of the Company will remain closed from Wednesday, September 19, 2018 to Tuesday, September 25, 2018 (both day inclusive)
Listing on Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.
Stock Code	502865 (ISIN-INE518A01013)

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

Market Price data for the Shares of face value ₹ 10 each is as under:-

Month	Forbes Shares High	Forbes Shares Low	No.of Shares	BSE Index High	BSE Index Low	BSE 500 High	BSE 500 Low
April' 2017	1950.00	1677.00	65442	30184.22	29241.48	13053.04	12616.53
May' 2017	1765.00	1515.00	36860	31255.28	29804.12	13288.81	12781.06
June' 2017	1739.00	1421.00	67999	31522.87	30680.66	13431.53	13052.34
July' 2017	1745.60	1390.00	106599	32672.66	31017.11	13947.56	13211.19
August' 2017	1665.00	1492.30	78611	32686.48	31128.02	13968.92	13245.92
September' 2017	2070.00	1587.00	113229	32524.11	31081.83	14216.92	13427.95
October' 2017	1920.05	1770.00	47123	33340.17	31440.48	14522.24	13684.23
November' 2017	2724.00	1800.00	155370	33865.95	32683.59	14741.48	14164.9
December' 2017	5290.00	2550.15	344180	34137.97	32565.16	15015.22	14207.77
January' 2018	4940.00	3822.00	162189	36443.98	33703.37	15660.94	14837.22
February' 2018	3939.00	3150.10	75986	36256.83	33482.81	15450.21	14209.33
March' 2018	3589.00	2870.00	72381	34278.63	32483.84	14727.78	13856.31

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 dematerialized form.

Distribution of Shareholding as on March 31, 2018

Category	No. of Shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,372	0.86
Financial Institutions/ Banks	19,055	0.15
Insurance Companies	500	0.00
Mutual Fund	392	0.00
FII & NRI/FBC	18,03,101	13.98
Public	14,39,505	11.16
Total	1,28,98,616	100.00

Distribution by size as on March 31, 2018

Holding	No. of Shareholders	No. of Shares	% Shareholders
1 to 500	14,239	7,91,707	6.14
501 to 1000	276	1,98,599	1.54
1001 to 2000	111	1,53,475	1.19
2001 to 3000	30	75,703	0.59
3001 to 4000	17	61,534	0.48
4001 to 5000	7	31,804	0.24
5001 to 10000	10	61,325	0.47
10001 & above	18	1,15,24,469	89.35
Total	14,708	1,28,98,616	100.00

Status of dematerialization of shares and liquidity as on March 31, 2018

Details	No. of shares	% of Share Capital	No. of Accounts
Nationalized Securities Depository Ltd. (NSDL)	1,18,35,508	91.76	5902
Central Depository Services (India) Ltd. (CDSL)	5,35,368	4.15	4006
Total dematerialized	1,23,70,876	95.91	9908
Physical	5,27,740	4.09	4800
Total	1,28,98,616	100.00	14,708

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

Plant Locations

Plot B-13, Waluj Industrial Area	Chandivali Estate
Waluj,	Saki Powai Road
Aurangabad-431 133	Mumbai-400 072

Address for correspondence

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

Auditors' Certificate

The certificate dated May 28, 2018 issued by Makarand M Joshi & Co., Practicing Company Secretaries on compliance with the Corporate Governance requirements by the Company is annexed herewith.

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

As provided under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the code of conduct for Board of Directors and Senior Management for the year ended March 31, 2018.

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, 2018, as stipulated in 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 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.

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.,

Kumudini Bhalerao
Partner
Membership No. 6667
CP No: 6690

Place: Mumbai
Date: May 28, 2018

**STANDALONE FINANCIAL STATEMENTS
FORMING PART OF ANNUAL REPORT OF
FORBES & COMPANY LIMITED FOR THE
YEAR ENDED 31ST MARCH, 2018**

INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone financial statements of Forbes & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

Auditors' Responsibility

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

4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered

Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 25, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a

statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
 - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements – Refer Notes 19A and 39;
 - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 28, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls with reference to financial statements of Forbes & Company Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, 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.

Place: Mumbai
Date: May 28, 2018

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

Sarah George
Partner
Membership Number: 045255

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a programme designed to cover all the items once in two years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, other than self - constructed properties, as disclosed in Notes 5, 6 and 14 on fixed assets to the standalone Ind AS financial statements, are held in the name of the Company, except in respect of the following:

(₹ in Lakhs)

Particulars	Gross Block (Cost)	Net Block (WDV)	Remarks
Land and building in Mumbai and Delhi	26.88	14.03	Held in the name of Gokak Patel Volkart Limited, 2nd erstwhile name of the Company. (Includes land cost ₹ 7.80 Lakhs and WDV - ₹ 4.85 Lakhs under 'Prepaid Leasehold Assets' in Note 14 - Other Assets and investment properties costing ₹ 19.08 Lakhs and WDV- ₹ 9.18 Lakhs is reflected under Note 6 - Investment Properties).
Freehold land at Chandivali, Mumbai	38.62	38.62	Held in the name of 'Forbes Forbes Campbell & Co. Limited', an entity that was merged with Gokak Patel Volkart Limited (the Company's 2nd erstwhile name). Cost/ WDV aggregating ₹ 38.62 Lakhs has been included in Note 5 - Property, Plant and Equipment.
Lease rights for land and self-constructed building at Fort, Mumbai in the possession of Company	1,129.42	490.64	The property is the name of Forbes Forbes Campbell & Co. Limited and the Company has made an application for renewal of lease, for which approval is awaited from authorities. Building cost - ₹ 976.95 Lakhs and WDV - ₹ 424.41 Lakhs reflected under Note 6 - Investment Properties and Building costing ₹ 152.47 Lakhs and WDV - ₹ 66.23 Lakhs as reflected in Note 5 - Property, Plant and Equipment.
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	1,565.54	These premises are in the name of Forbes Gokak Limited, the 3rd erstwhile name of the Company. Includes Building cost - ₹ 7.92 Lakhs and WDV - ₹ 4.38 Lakhs classified under Note 5 - Property, Plant and Equipment, investment properties costing ₹ 1,615.38 Lakhs, WDV - ₹ 1,560.44 Lakhs included in Note 6 and cost of ₹ 1.65 Lakhs, WDV - ₹ 0.72 Lakhs under 'Prepaid Leasehold Assets' in Note 14 - Other Assets).
Premises at Chennai	40.76	-	This investment property is in the name of Facit Asia Limited, an entity merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).
Premises at Tuticorin	27.36	13.60	This investment property is in the name of Volkart India Limited, an entity that was merged with Patel Volkart Limited (which was subsequently amalgamated with the Gokak Mills Limited, the Company's 1st erstwhile name).

- ii. The physical verification of inventory (excluding stocks with third parties and real estate work-in-progress) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory by Management as compared to book records were not material. Further, in respect of real estate work-in-progress, inventories comprising of expenditure incurred on acquisition of development rights and other expenditure on construction and development thereof have been physically verified by the Management during the year.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("the Act"). Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the Order are not applicable to the Company.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.
We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income taxes, though there has been a slight delay in few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise duty and value added tax as at March 31, 2018, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	14.97	Financial Year 2000-01	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax	732.68	Financial Years 2006-07 to 2012-13	Commissioner of Service Tax
The Customs Act, 1962	Penalty	0.93	Financial Year 2012-13	Customs Excise and Service Tax Appellate Tribunal
		100.00	Financial Year 2011-12	High Court of Kerala
The Central Excise Act, 1944	Excise Duty (including interest and penalty, as applicable)	2,722.90	Financial Years 2005-06 to 2006-07	Customs Excise & Service Tax Appellate Tribunal
		20.67	Financial Years 2003-04 to 2004-05	Commissioner of Central Excise (Appeals)
		24.71	Financial years 2005-06 to 2014-15	Deputy Commissioner of Central Excise
		4.86	Financial Years 2000-01 to 2004-05	Assistant Commissioner of Central Excise
Sales Tax Laws	Sales Tax (including interest and penalty, as applicable)	91.62	Financial Years 1990-91 to 1994-95, 1998-99, 2001-02 to 2002-03	Sales Tax Appellate Tribunal
		55.42	Financial Years 2005-06, 2008-09 to 2009-10 and 2012-13	Joint Commissioner of Appeals Sales Tax
		172.75	Financial Years 2000-01 to 2005-06	Assistant Commissioner of Commercial Taxes
		65.23	Financial Years 1993-94, 1997-98 1999-00, 2002-03, 2005-06 to 2006-07	Deputy Commissioner of Appeals
		3.95	Financial Year 2004-05	Commercial Tax Officer

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the Balance Sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the money raised by way of term loans have been applied on an accrual basis for the purpose for which they were obtained. As the Company has not raised any money by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted

auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 28, 2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	₹ in Lakhs	As at 31st Mar., 2018 ₹ in Lakhs	As at 31st Mar., 2017 ₹ in Lakhs
Assets				
1 Non-current assets				
Property, plant and equipment	5		4,981.58	4,390.47
Capital work-in-progress	5.1		105.73	249.93
Investment Properties	6		2,542.91	2,505.29
Other Intangible assets	7		97.25	58.29
Intangible assets under development	7.1		85.60	23.09
Financial Assets:				
i) Investments				
Investments in subsidiaries	8A	20,624.29		19,316.00
Investments in associates	8B	-		-
Investments in joint ventures	8C	-		-
Other Investments	8D	0.65		0.65
		20,624.94		19,316.65
ii) Loans	10A	125.29		162.08
iii) Other financial assets	11A	1.06		5.00
			20,751.29	19,483.73
Tax assets				
i) Deferred tax assets (net)	20	2,126.22		1,594.63
ii) Income tax assets (net)	24	2,113.33		3,031.79
			4,239.55	4,626.42
Other non-current assets	14A		804.09	688.85
Total Non-current assets			33,608.00	32,026.07
2 Current assets				
Inventories	12		8,789.99	7,395.55
Financial Assets:				
i) Trade receivables	9	3,862.55		3,942.13
ii) Cash and cash equivalents	13A	2,168.21		1,657.06
iii) Bank balances other than (ii) above	13B	118.15		66.16
iv) Loans	10B	39.72		17.68
v) Other financial assets	11B	4,822.14		3,902.01
			11,010.77	9,585.04
Other current assets	14B		484.10	894.78
			11,494.87	10,479.82
Asset classified as held for sale	6.1		1.98	-
Total Current assets			20,286.84	17,875.37
Total Assets			53,894.84	49,901.44

Particulars	Note No.	₹ in Lakhs	As at 31st Mar., 2018 ₹ in Lakhs	As at 31st Mar., 2017 ₹ in Lakhs
Equity and Liabilities				
Equity				
Equity share capital	15	1,289.86		1,289.86
Other equity	16	26,565.89		22,861.26
Total Equity			27,855.75	24,151.12
Liabilities				
1 Non-current liabilities				
Financial liabilities:				
i) Borrowings	17	8,208.22		9,998.63
ii) Other financial liabilities	18A	515.32		414.27
			8,723.54	10,412.90
Provisions	19A	1,174.37		1,316.59
Other non-current liabilities	21A	-		22.40
Total Non-current liabilities			9,897.91	11,751.89
2 Current liabilities				
Financial liabilities:				
i) Borrowings	22	6,890.84		4,920.09
ii) Trade payables	23	3,929.71		4,323.09
iii) Other financial liabilities	18B	2,544.90		610.68
			13,365.45	9,853.86
Other current liabilities	21B	1,790.46		1,998.98
Provisions	19B	468.30		453.40
Current tax liabilities	24	516.97		1,692.19
Total Current Liabilities			16,141.18	13,998.43
Total Liabilities			26,039.09	25,750.32
Total Equity and Liabilities			53,894.84	49,901.44
Significant Accounting Policies	2			

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner

Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 28th May, 2018

Place: Mumbai
Date: 28th May, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	₹ in Lakhs	Year Ended	Year Ended
			31st Mar., 2018	31st Mar., 2017
			₹ in Lakhs	₹ in Lakhs
I Revenue from operations	25	29,781.14		28,346.97
II Other income	26	716.75		1,370.87
III Total Income (I + II)			30,497.89	29,717.84
IV Expenses:				
Real estate development costs	27	6,404.34		8,820.61
Cost of materials consumed	28A	6,792.46		5,903.38
Excise duty	51	410.87		1,715.24
Purchases of stock-in-trade		16.36		33.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28B	(778.86)		(3,357.94)
Employee benefits expenses	29	4,260.01		4,409.91
Finance costs	30	1,172.79		1,235.11
Depreciation and amortisation expense	31	795.87		597.63
Other expenses	32A	6,817.08		7,016.88
Total expenses (IV)			25,890.92	26,374.37
V Profit before exceptional items and tax (III - IV)			4,606.97	3,343.47
VI Exceptional items	32B		-	1,120.42
VII Profit before tax (V + VI)			4,606.97	4,463.89
VIII Tax expense:				
(a) Current tax (as per MAT)	33	1,050.00		577.00
(b) Deferred tax (including MAT credit availed of ₹ 610.98 Lakhs (Previous year ₹ 1,082.17 Lakhs))	33	(533.04)		(1,078.95)
			516.96	(501.95)
IX Profit after tax for the year from continuing operations (VII - VIII)			4,090.01	4,965.84
X Profit before tax from discontinued operations	41		-	4,825.77
XI Tax expense:				
(a) Current tax	33	-		623.00
(b) Deferred tax	33	-		(492.52)
			-	130.48
XII Profit after tax for the year from discontinued operations (X - XI)			-	4,695.29
XIII Profit for the year (IX + XII)			4,090.01	9,661.13
XIV Other Comprehensive Income				
(i) Items that will not be reclassified to Statement of Profit and Loss				
Remeasurement of the defined benefit plans income /(expense)			4.19	(66.92)
(ii) Income tax relating to these items			1.45	(23.16)
			2.74	(43.76)
XV Total Comprehensive Income for the year (XIII + XIV)			4,092.75	9,617.37
XVI Earning per equity share (for continuing operation):				
Basic and diluted earnings per equity share	34		₹ 31.71	₹ 38.49
XVII Earning per equity share (for discontinued operation):				
Basic and diluted earnings per equity share	34		₹ 0.00	₹ 36.41
XVIII Earning per equity share (for continuing and discontinued operation):				
Basic and diluted earnings per equity share	34		₹ 31.71	₹ 74.90

Significant Accounting Policies

2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
For and on behalf of the Board of Directors

Firm Registration No. 012754N/N500016

Chartered Accountants

MAHESH C. TAHILYANI

Managing Director

DIN : 1423084

Sarah George
Partner

Membership Number: 045255

NIRMAL JAGAWAT

Chief Financial Officer

PANKAJ KHATTAR

Company Secretary

Membership No : F5300

JAI L. MAVANI

Director

DIN : 05260191

Place: Mumbai

Date: 28th May, 2018

Place: Mumbai

Date: 28th May, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

	Year Ended 31st Mar., 2018 ₹ in Lakhs	Year Ended 31st Mar., 2017 ₹ in Lakhs
Cash flows from operating activities		
Profit before tax	4,606.97	9,289.66
Adjustments for -		
Depreciation and amortisation expense	795.87	599.27
Interest income earned on financial assets that are not designated as at fair value through profit or loss :		
(i) Bank deposits	(5.29)	(6.52)
(ii) Inter-corporate deposits	-	(54.08)
Finance costs	1,172.79	1,235.14
Dividend Income		
(i) from long-term investments	(0.07)	(0.07)
(ii) from current investments	-	(27.35)
(Gain)/loss on disposal of property, plant and equipment	28.25	(0.40)
(Gain)/loss on disposal of current investments	(12.29)	(79.79)
Provision for doubtful trade receivables	14.60	85.08
Provision for doubtful loans and advances	0.08	1.83
Provision for Contingencies	-	900.00
Trade receivables written off	2.21	3.57
Advances written off	5.32	14.85
Gain on fair value of long-term investments in a subsidiary company	(136.32)	(116.41)
Net (gain) arising on financial assets designated as at FVTPL	(75.95)	(59.22)
Credit balances / excess provision written back	(42.56)	(655.63)
Profit on slump sale	-	(5,459.26)
Profit on sale of logistic business	-	(331.01)
Net unrealised exchange loss	(3.56)	17.89
	1,743.08	(3,932.11)
Exceptional items:		
- Profit on sale of Investments	-	(750.01)
- Loss on Capital Reduction on equity shares	-	1,931.50
- (Reversal)/Provision for impairment in the value of the investments	-	(2,380.00)
	-	(1,198.51)
	1,743.08	(5,130.62)
Operating profit before working capital changes	6,350.05	4,159.04
Changes in working capital:		
(Increase) in trade and other receivables	(856.58)	(2,719.40)
(Increase) in inventories	(1,394.45)	(3,534.55)
Decrease/(increase) in other assets	420.16	(286.46)
(Decrease)/increase in trade and other payables	(221.80)	1,184.70
(Decrease) in provisions	(130.06)	(865.67)
(Decrease) in other liabilities	(188.36)	(904.96)
	(2,371.09)	(7,126.34)
Cash inflow / (outflow) from operations	3,978.96	(2,967.30)
Income taxes paid (net of refunds)	(1,306.76)	(7.63)
(a) Net cash inflow / (outflow) from operating activities	2,672.20	(2,974.93)
Cash flows from investing activities:		
Payments for property, plant and equipment (including investment properties and intangible assets)	(1,510.05)	(1,620.21)
Proceeds from disposal of property, plant and equipment	26.78	75.94
Proceeds from slump sale	-	9,250.63
<u>Purchase / subscription of long-term investments</u>		
- in subsidiaries	(1,000.00)	(1,800.00)
<u>Proceeds from sale / capital reduction of long-term investments</u>		
- Subsidiary	-	18.50
- Joint Venture	-	1,250.03
Purchase of current investments	(4,257.70)	(27,026.27)
Proceeds from sale of current investments	4,270.00	27,133.41
Loans and advances given to related parties realised	-	500.00
Bank balances not considered as cash and cash equivalents	(48.05)	56.61
Interest received	7.08	829.44
Dividend received	0.07	0.07
(b) Net cash (outflow) / inflow from investing activities	(2,511.87)	8,668.15

	Year Ended 31st Mar., 2018 ₹ in Lakhs	Year Ended 31st Mar., 2017 ₹ in Lakhs
Cash flows from financing activities:		
Proceeds from long-term borrowings	-	4,000.00
Repayment of long-term borrowings	(103.77)	(8,069.19)
Proceeds from short-term borrowings	33,890.84	12,782.30
Repayment of short-term borrowings	(31,920.09)	(12,161.81)
Finance costs paid	(1,127.76)	(1,946.57)
Dividend paid on equity shares	(322.47)	-
Tax on dividend	(65.65)	-
(c) Net cash inflow / (outflow) from financing activities	351.10	(5,395.27)
(d) Net increase in cash and cash equivalents (a + b + c)	511.43	297.95
(e) Cash and cash equivalents as at the commencement of the year	1,657.06	1,359.11
(f) Effects of exchange rate changes on cash and cash equivalents	(0.28)	-
(g) Cash and cash equivalents as at the end of the year (d + e + f)	2,168.21	1,657.06
(Refer Note 13A)		

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

Cash and cash equivalents as per above comprise of the following

	As on 31st Mar., 2018 ₹ in Lakhs	As on 31st Mar., 2017 ₹ in Lakhs
Balances with bank		
- In current accounts	2,004.43	178.04
- In EEFC Accounts	60.54	-
Cheques, drafts on hand	97.49	1,472.28
Cash on hand	5.75	6.74
Balances as per statement of cash flows	2,168.21	1,657.06

Notes:

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

* Amount is below the rounding off norm adopted by the Company.

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Chartered Accountants

Sarah George

Partner

Membership Number: 045255

NIRMAL JAGAWAT

Chief Financial Officer

PANKAJ KHATTAR

Company Secretary

Membership No : F5300

Place: Mumbai

Date: 28th May, 2018

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI

Managing Director

DIN : 1423084

JAI L. MAVANI

Director

DIN : 05260191

Place: Mumbai

Date: 28th May, 2018

Statement of changes in Equity for the year ended 31st March, 2018

₹ in Lakhs

a. Equity share capital	Amount
Balance as at 31st March, 2016	1,289.86
Changes in equity share capital	-
Balance as at 31st March, 2017	1,289.86
Changes in equity share capital	-
Balance as at 31st March, 2018	1,289.86

₹ in Lakhs

b. Other equity	Reserves and surplus			
	General Reserve	Debenture redemption reserve	Retained earnings	Total
Balance as at 31st March, 2016	16,188.60	2,500.00	(5,444.71)	13,243.89
Profit for the year	-	-	9,661.13	9,661.13
Other comprehensive income for the year, net of income tax	-	-	(43.76)	(43.76)
Balance as at 31st March, 2017 (a)	16,188.60	2,500.00	4,172.66	22,861.26
Profit for the year	-	-	4,090.01	4,090.01
Other comprehensive income for the year, net of income tax	-	-	2.74	2.74
Total comprehensive income for the year (b)	-	-	4,092.75	4,092.75
Transactions with owners in their capacity as owners				
Payment of dividends on equity shares	-	-	(322.47)	(322.47)
Dividend Distribution Tax	-	-	(65.65)	(65.65)
Total Transactions with owners in their capacity as owners (c)	-	-	(388.12)	(388.12)
Balance as at 31st March, 2018 (a+b+c)	16,188.60	2,500.00	7,877.29	26,565.89

For significant accounting policies, Refer Note 2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered AccountantsSarah George
PartnerNIRMAL JAGAWAT
Chief Financial Officer

Membership Number: 045255

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI
Managing Director
DIN : 1423084JAI L. MAVANI
Director
DIN : 05260191Place: Mumbai
Date: 28th May, 2018Place: Mumbai
Date: 28th May, 2018

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

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

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

New standards and interpretations effective as from 1st April 2017:

Amendment to Ind AS 7, Statement of Cash Flows vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017

Ministry of Corporate Affairs vide notification dated 17 March 2017 introduced narrow scope amendments including additional disclosures to Statement of Cash Flows that will enable the users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from:

- cashflows, such as drawdowns and repayments of borrowings; and
- non-cash changes, such as acquisitions, disposals and unrealised exchange differences.

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities.

The adoption of this standard did not have a significant impact on the financial statements.

iii) Investments in subsidiaries, associates and joint ventures

Subsidiaries:

Subsidiaries are all entities over which the Company has control, including through its subsidiaries. Control is achieved when the Company has power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Investments in subsidiaries are accounted at cost less provision for impairment.

Associates:

An associate is an entity over which the Company has significant influence but not control or joint control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

Investments in associates are accounted at cost less provision for impairment.

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company had joint ventures.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

Investments in Joint ventures are accounted at cost less provision for impairment.

The Company has elected the exemption of previous GAAP carrying value of all its investments in subsidiaries, associates and joint ventures recognised as of 1st April, 2015 (transition date) as deemed cost except in case of Shapoorji Pallonji Forbes Shipping Limited.

iv) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Freehold land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company and cost can be reliably measured. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on property, plant and equipment has been provided on straight line method as per the useful lives estimated by management, the life of the assets has been assessed based on technical evaluation which are higher than those specified by Schedule II to the Act, taking into account the nature of the assets, the estimated usage of the assets, the

operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains / losses.

The estimated useful lives of the property, plant and equipment are as under:

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	30 - 60 years
b	Plant and Equipment	10 - 15 years
c	Furniture and Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 5 years and Data processing equipments 3 years.
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land (including investment properties)	Lower of the useful life in the range of 30 - 60 years and the lease term except in certain building useful life is based on technical certification
g	Temporary structures (included in building)	4 years

Property, plant and equipment individually costing ₹ 5,000 and less are depreciated fully in the year of purchase.

v) Capital work-in-progress

Projects under which tangible Property, plant and equipment are not yet ready for their use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

The estimated useful life of lease hold land is equivalent to the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

vii) Intangible Assets

Intangible assets, being computer software, are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost comprises acquisition and implementation cost of software for internal use (including software coding, installation, testing and certain data conversion).

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Research costs are charged to the Statement of Profit and Loss as they are incurred.

Cost of software is amortised over a period of 5 years being the estimated useful life.

viii) Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

ix) Impairment of Assets

The Company assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have

been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

x) Deemed cost for property, plant and equipment, investment property and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

xi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets

Classification:

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and amounts that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in the Statement of Profit and Loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 Revenue, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Borrowings are initially recognised at fair value, net of transaction costs incurred.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Financial guarantee contracts

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

xii) Inventories

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis. Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as "Real Estate

Work in Progress" under Note 12 Inventories.

Real estate development work-in-progress cost includes construction and development cost, allocated interest and other overheads related to projects under construction and is valued at lower of cost and net realizable value

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

xiii) Earnings per share

Basic Earnings per share are calculated by dividing the net profit / (loss) after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

xiv) Employee Benefits

a) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

b) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

c) **Post-employment obligations**

The Company operates the following post-employment schemes:

- Defined Contribution plans such as superannuation, pension and Employee State Insurance Corporation (ESIC).
- Defined Benefit plans such as gratuity, provident fund, post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee).

Defined Contribution Plans

The Company's contribution to superannuation fund, pension and employee state insurance scheme are considered as defined contribution plans, as the Company does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of Superannuation, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plans

In case of Provident fund, contributions are made to a Trust administered by the Company. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

Eligible employees receive benefits from a provident fund which is defined benefit plan. Both the employees of the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Company contributes a part of the contributions to Forbes & Company Ltd. Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Company has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit and Loss as past service cost.

- d) A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs

xv) **Provisions and Contingent Liabilities**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

xvi) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales are recognised, net of estimated returns, trade discounts, taxes as applicable.

Sale of Services:

- a) 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.
- b) Container freight station ground rent income is recognised on an accrual basis.
- c) Commission income is recognised as per terms of agreement with respective party and in the period in which services are rendered.
- d) Income from other services is recognised as and when the services are performed.

Interest and Dividend Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

xvii) Revenue from real estate contracts

In respect of property development projects undertaken by the Company, the Company follows percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the following conditions are completed:

- a. All critical approvals for commencement of the project have been obtained; and
- b. The actual construction and development cost incurred is at least 25% of the total construction and development cost; and
- c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and ;
- d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

Determination of revenues under the percentage completion method necessarily involves making estimates by the Company some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion and the expected revenue from the project and the foreseeable losses to completion.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units upon achieving threshold percentage of actual project cost incurred (excluding development rights and borrowing cost) as against the total estimated cost of the project (excluding development rights and borrowing cost).

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the Statement of Profit and Loss in the period in which such probability occurs.

xviii) Foreign currency transactions and balances

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency viz. Indian Rupee are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-monetary items that are measured in terms of historical costs in a foreign currency are not retranslated.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

**xix) Lease accounting
Operating Leases**

Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the Statement of Profit and Loss on a straight-line basis over the lease term.

Finance leases

Leases, where the lessor transfers, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance lease.

Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

xx) Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and

intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

xxi) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. These are recognised in the Statement of Profit and Loss on a systematic basis over the period in line with the related costs.

xxii) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

xxiii) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker in order to effectively allocate the Company's resources and assess performance.

xxiv) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

xxv) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

xxvi) Principles of business combinations

The acquisition method of accounting under Ind AS is used to account for business combinations by the Company from the date of transition to Ind AS i.e. 1st April, 2015. Prior to the date of transition to Ind AS, business acquisitions have been accounted based on previous GAAP.

xxvii) Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

3.1.1. The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Company although the Company owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated 23rd February, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi

are in the custody of the Official Liquidator. Hence, the Company does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

In case of Real estate development, the Company's revenue recognition and margin recognition policy, which are set out in Note 2(xvii), are critical to how the Company values the work it has carried out in each financial year and corresponding recognition of revenue and expenses. These policies require forecasts to be made of the outcomes of long-term real estate development services, which require assessments and judgements to be made mainly on sale considerations, changes in the plan/outlay of work and changes in costs.

3.2.2 Contingent Liabilities and Provisions

Contingent Liabilities and Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date.

3.2.3 Useful life and residual value of Property, Plant and Equipment and Investment Properties

As described in Note 2(iv) and 2(vi), the Company reviews the estimated useful life and residual values of property, plant and equipment and investment properties at each reporting date.

3.2.4 Fair value measurement and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where such inputs are not available, the Company engages third party qualified valuers to perform the valuation.

3.2.5 Impairment

Determining whether an asset is impaired requires an estimation of fair value/value in use. Such valuation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of investment in Forbes Technosys Limited, a subsidiary, as at 31st March, 2018 ₹ 6,913.00 Lakhs (as at 31st March, 2017 ₹ 5,729.50 Lakhs) and based on the valuation report there is no impairment.

4. STANDARDS ISSUED BUT NOT EFFECTIVE

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28th March, 2018. The rules shall be effective from reporting periods beginning on or after April 1,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

2018. Amendments to Ind AS as per these rules are mentioned below:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. A new five-step process must be applied before revenue can be recognised:

- 1 Identify contracts with customers
- 2 Identify the separate performance obligation
- 3 Determine the transaction price of the contract
- 4 Allocate the transaction price to each of the separate performance obligations, and
- 5 Recognise the revenue as each performance obligation is satisfied.

The management is in process of assessing the impact of above amendment. The new standard is mandatory for financial years commencing on or after 1 April, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The management is in process of assessing the impact of above amendment, though it is expected that impact from the amendment would not be significant. The Company intends to adopt the amendments prospectively from 1st April, 2018.

Ind AS 40 - Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence.

Ind AS 12 - Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.

The management is in process of assessing the impact of above amendment, though it is expected that impact from the amendment would not be significant. The Company intends to adopt the amendments from 1st April, 2018.

5A. Property, plant and equipment (Own, unless otherwise stated) for the year ended 31st March, 2018

₹ In Lakhs

	Freehold Land	Building and structures	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment	Data processing equipments (Finance Lease)	As at 31st Mar., 2018
Cost or Deemed cost									
Balance at 1st April, 2017	38.62	1,226.77	57.14	53.68	218.06	163.47	3,827.56	1.02	5,586.32
Additions	-	56.38	-	15.33	20.67	12.05	1,283.44	-	1,387.87
Disposals	-	-	-	0.25	-	0.27	54.77	-	55.29
Transferred to Investment Properties (Refer Note 6)	-	67.76	-	-	-	-	-	-	67.76
Balance at 31st March, 2018	38.62	1,215.39	57.14	68.76	238.73	175.25	5,056.23	1.02	6,851.14
Accumulated depreciation and impairment									
Balance at 1st April, 2017	-	190.74	18.66	30.14	129.24	92.04	734.01	1.02	1,195.85
Eliminated on disposals of assets	-	-	-	0.25	-	-	-	-	0.25
Depreciation expense for the year	-	189.38	11.32	16.10	32.11	21.60	439.10	-	709.61
Transferred to Investment Properties (Refer Note 6)	-	35.65	-	-	-	-	-	-	35.65
Balance at 31st March, 2018	-	344.47	29.98	45.99	161.35	113.64	1,173.11	1.02	1,869.56
Carrying Amount									
Balance at 31st March, 2018	38.62	870.92	27.16	22.77	77.38	61.61	3,883.12	-	4,981.58

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued
Notes:

1. Plant and equipment includes assets that are jointly owned of ₹ 10.25 Lakhs.
2. Land and building with a carrying amount of ₹ 251.96 Lakhs have been mortgaged by way of pari passu charge to secure borrowings of the Company (Refer Note 17).
3. Plant, equipments, furniture and fixtures and data processing equipments with a carrying amount of ₹ 2,089.98 Lakhs have been mortgaged / hypothecated to secure borrowings of the Company (Refer Note 17).

5B. Property, plant and equipment (Own, unless otherwise stated) for the previous year ended 31st March, 2017

₹ In Lakhs

	Freehold Land	Building and structures	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment	Data processing equipments (Finance Lease)	As at 31st Mar., 2017
<i>Cost or Deemed cost</i>									
Balance at 1st April, 2016	38.62	529.47	37.06	45.49	191.94	117.53	2,843.88	1.02	3,805.01
Additions	-	755.94	34.32	9.96	27.42	47.14	983.68	-	1,858.46
Disposals	-	58.64	14.24	1.77	1.30	1.20	-	-	77.15
Balance at 31st Mar., 2017	38.62	1,226.77	57.14	53.68	218.06	163.47	3,827.56	1.02	5,586.32
<i>Accumulated depreciation and impairment</i>									
Balance as at 1st April, 2016	-	146.16	9.67	10.54	99.01	63.35	363.27	1.02	693.02
Eliminated on disposals of assets	-	0.16	-	1.44	-	-	-	-	1.60
Depreciation expense for the year	-	44.74	8.99	21.04	30.23	28.69	370.74	-	504.43
Balance at 31st Mar., 2017	-	190.74	18.66	30.14	129.24	92.04	734.01	1.02	1,195.85
Carrying Amount									
Balance at 31st Mar., 2017	38.62	1,036.03	38.48	23.54	88.82	71.43	3,093.55	-	4,390.47

Notes:

1. Plant and equipment includes assets that are jointly owned of ₹ 10.25 Lakhs.
2. Land and building with a carrying amount of ₹ 200.55 Lakhs have been mortgaged by way of pari passu charge to secure borrowings of the Company (Refer Note 17).
3. Plant, equipments, furniture and fixtures and data processing equipments with a carrying amount of ₹ 561.76 Lakhs have been mortgaged / hypothecated to secure borrowings of the Company (Refer Note 17).

5.1 Capital work-in-progress

₹ In Lakhs

Particulars	As at 1st Apr., 2017	Additions	Amounts Capitalised	As at 31st Mar., 2018
Capital work in progress	249.93	105.14	249.34	105.73

Previous year

Particulars	As at 1st Apr., 2016	Additions	Amounts Capitalised	As at 31st Mar., 2017
Capital work in progress	563.88	249.11	563.06	249.93

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2018	As at 31st Mar., 2017
Completed investment properties	2,542.91	2,505.29
Total	2,542.91	2,505.29
Cost or Deemed Cost		
Balance at 1st April, 2017 / 1st April, 2016	2,630.03	2,630.03
Additions	69.66	-
Transferred from property, plant and equipment (Refer Note 5A)	67.76	-
Property classified as held for sale	2.17	-
Balance at 31st March, 2018 / 31st March, 2017	2,765.28	2,630.03
Accumulated depreciation and impairment		
Balance at 1st April, 2017 / 1st April, 2016	124.74	62.37
Transferred from property, plant and equipment (Refer Note 5A)	35.65	-
Property classified as held for sale (Refer Note 6.1)	0.19	-
Depreciation expense for the year	62.17	62.37
Balance at 31st March, 2018 / 31st March, 2017	222.37	124.74
Carrying amount		
Balance at 31st March, 2018 / 31st March, 2017	2,542.91	2,505.29

Notes:

- (i) Investment properties include premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land ₹ 28.66 Lakhs (*Previous year ₹ 28.66 Lakhs*), Jointly owned Residential Premises ₹ 28.39 Lakhs (*Previous year ₹ 28.39 Lakhs*) and Shares in Co-operative Housing Societies, Association of apartment owners and in a company ₹ 0.17 Lakh (*Previous year ₹ 0.17 Lakh*).
- (ii) Building with a carrying amount of ₹ 227.24 Lakhs (*Previous year ₹ 242.62 Lakhs*) have been mortgaged to secure credit facilities of the Company.
- (iii) Investment properties includes the lease rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 424.41 Lakhs of which ₹ 66.23 Lakhs has been disclosed under property, plant and equipment (Refer Note 5) for which the Company has made an application for renewal of lease and approval from authorities awaited thereon.

6.1 The Company has entered into an agreement for sale of a flat and accordingly the carrying value aggregating ₹ 1.98 Lakhs (*Previous year ₹ Nil*) of the asset has been shown as "Asset classified as held for sale" on the face of Balance Sheet. The fair value of the said asset is ₹ 130 Lakhs.

6.2 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2018 and *31st March, 2017* have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi and Yardi Prabhu, independent valuers not related to the Company. V.S. Modi and Yardi Prabhu are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2018 and *31st March, 2017* are as follows:

₹ In Lakhs

Particulars	Level 3	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Andhra Pradesh - Land	27.45	44.35
Delhi - Building	191.53	179.30
Gujarat - Land and Building	492.97	470.24
Kerala - Building	827.81	768.66
Maharashtra - Land and Building	62,423.89	59,612.29
Tamil Nadu - Land and Building	290.00	228.61
West Bengal - Building	642.84	590.28
Total	64,896.49	61,893.73

7. Other intangible assets (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2018	As at 31st Mar., 2017
	Software / Licences acquired	Software / Licences acquired
Cost or Deemed cost		
Balance at 1st April, 2017 / 1st April, 2016	138.94	138.94
Additions during the year	64.24	-
Balance at 31st March, 2018 / 31st March, 2017	203.18	138.94
Accumulated amortisation and impairment		
Balance at 1st April, 2017 / 1st April, 2016	80.65	46.99
Amortisation charge for the year	25.28	33.66
Balance at 31st March, 2018 / 31st March, 2017	105.93	80.65
Carrying Amount		
Balance at 31st March, 2018 / 31st March, 2017	97.25	58.29

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

7.1 Intangible assets under development

₹ In Lakhs

Particulars	As at 1st Apr., 2017	Additions	Amounts Capitalised	As at 31st Mar., 2018
Intangible asset under development	23.09	62.51	-	85.60

Previous year

Particulars	As at 1st Apr., 2016	Additions	Amounts Capitalised	As at 31st Mar., 2017
Intangible asset under development	40.40	8.50	25.81	23.09

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
a) Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	50,385	6.82	50,385	6.82
2. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	38,64,131	1,781.78	38,64,131	1,781.78
3. Equity component in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited	-	1,686.26	-	1,686.26
4. Equity shares of ₹ 10 each in Eureka Forbes Limited	37,28,000	4,067.86	37,28,000	4,067.86
5. Equity shares of ₹ 10 each in Forbes Technosys Limited	1,50,00,000	1,500.00	1,50,00,000	1,500.00
6. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	4,87,500	180.00	4,87,500	180.00
7. Equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1 below)	2,05,00,000	2,050.00	2,05,00,000	2,050.00
8. Equity component in Zero Percent Redeemable Preference Shares of Shapoorji Pallonji Forbes Shipping Limited	-	2,770.17	-	2,770.17
9. Equity component in Financial Guarantee given to Forbes Technosys Limited	-	397.48	-	225.08
10. Equity component in 10% Non Cumulative Non Convertible, Non Participating Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 4 below)	-	-	-	1,532.72
11. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference share of ₹ 10 each in Forbes Technosys Limited (Refer Note 4 below)	5,00,00,000	5,015.52	-	-
12. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	-	1.29	-	-
b) Preference Shares (at fair value through profit or loss)				
1. 8% Cumulative Optionally Convertible Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 4 below)	-	-	20,00,000	200.00
2. 8% Cumulative Compulsory Convertible, Optionally Redeemable Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 4 below)	-	-	2,00,00,000	2,000.00
c) Preference Shares (at amortised cost)				
1. 10% Non Cumulative Non Convertible, Non Participating Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 4 below)	-	-	1,80,00,000	271.70
2. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited	3,09,00,000	809.93	3,09,00,000	723.15
d) Debentures (at fair value through profit or loss)				
1. 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited	1,72,67,500	357.18	1,72,67,500	320.46
Total		<u>20,624.29</u>		<u>19,316.00</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

8B. Investments in associates

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	58,849	-	58,849	-
[Provision for impairment in value ₹ 5.88 Lakhs; (Previous year ₹ 5.88 Lakhs)]				
Total		-		-

8C. Investments in joint ventures

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited)(Refer Note 2 below)	-	-	-	-
Total		-		-

8D. Other investments

Non Current

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity Instruments (at fair value through Profit or Loss)				
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	5,500	0.55	5,500	0.55
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce	10	0.00 *	10	0.00 *
[Provision for impairment in value ₹ 0.05 Lakhs; (Previous year ₹ 0.05 Lakhs)]				
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	1,000	0.10	1,000	0.10
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited	4,20,170	0.00 *	4,20,170	0.00 *
[Provision for impairment in value ₹ 150.33 Lakhs; (Previous year ₹ 150.33 Lakhs)] (Refer Note 44)				
5. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited	8,64,960	0.00 *	8,64,960	0.00 *
[Provision for impairment in value ₹ 271.26 Lakhs; (Previous year ₹ 271.26 Lakhs)] (Refer Note 3 below)				
6. Equity shares of USD 1 each in Edumetry Inc. USA	2,500	0.00 *	2,500	0.00 *
[Provision for impairment in value ₹ 35.48 Lakhs (Previous year ₹ 35.48 Lakhs)] (Refer Note 5 below)				
Total		0.65		0.65

* Amount is below the rounding off norm adopted by the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

Notes:

- During the previous year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary of the Company where by 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017 (Refer Note 32B).
- The Board of Directors of the Company at its meeting held on 12th October, 2016, had approved sale of its entire shareholding (50.001%) in Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited), a joint venture with Bumi Armada Berhad to Shapoorji Pallonji Oil and Gas Private Limited ('SPOGPL') at a price of ₹ 1,250.00 Lakhs. The Company had executed "Share Transfer Agreement" and transferred the entire shareholding to SPOGPL and recognized profit of ₹ 750.01 Lakhs during the previous year. The same has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017 (Refer Note 32B).
- Forbes Container Lines Pte. Ltd., Singapore ('FCLPL'), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. As on 31st March, 2017, Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.
- During the year, the terms of the preference shares held in Forbes Technosys Limited have been changed. The existing terms of the preference shares held in Forbes Technosys Limited have been changed to 10% Optionally Redeemable Compulsory Convertible Non Cumulative Preference Shares. The Board has approved the revised term sheet for preference shares issued by Forbes Technosys Limited in the Board Meeting held on 24th May, 2017.
- Edumetry Inc., USA, a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.

- The Company has 25% ownership in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL') by virtue of joint venture agreement. However, SPFSL is consolidated as a subsidiary due to the Company's ability to appoint majority of directors on the Board of SPFSL.

8E Category-wise investments – as per Ind AS 109 classification

Particulars	₹ In Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Financial assets carried at fair value through profit or loss		
Preference Shares	-	2,200.00
Equity Instruments	0.65	0.65
Debentures	357.18	320.46
Total (a)	357.83	2,521.11
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	4,456.43	5,989.15
Equity components in financial guarantee	398.77	225.08
Equity shares (Unquoted)	14,601.98	9,586.46
Total (b)	19,457.18	15,800.69
Financial assets carried at amortised cost		
Preference shares	809.93	994.85
Total (c)	809.93	994.85
Total (a+b+c)	20,624.94	19,316.65
Note:		
Aggregate amount of unquoted investments (net of impairment)	20,624.94	19,316.65
Aggregate amount of impairment in value of investments	463.00	463.00
9. Trade receivables		
	₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Trade receivables		
a) Unsecured, considered good	3,862.55	3,942.13
b) Doubtful	863.59	849.94
	4,726.14	4,792.07
Less: Allowance for doubtful debts (expected credit loss allowance)	863.59	849.94
Total	3,862.55	3,942.13

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

9.1 Trade receivables

Debts due by private companies in which a director is a director / member (₹ in Lakhs)	19.85	11.77
Less : Allowance for doubtful debts (expected credit loss allowance)	10.18	7.81
Net Debts (Refer Note 40)	9.67	3.96

For trade receivables from related parties refer Note 40.

The average credit period on sales is 75 days. No interest is charged on trade receivables overdue.

There are no customers who represent more than 5% of the total balance of trade receivables.

Expected credit loss for trade receivables for the year ended 31st March, 2018

Ageing	Not Due	0-90	91-180	181-365	Above 365	Total
Gross carrying amount	2,789.69	821.77	144.31	107.60	862.77	4,726.14
Expected credit losses (loss allowance provision)	0.17	0.12	0.16	0.37	862.77	863.59
Carrying amount of trade receivable (net of impairment)	2,789.52	821.65	144.15	107.23	0.00	3,862.55

Expected credit loss for trade receivables for the year ended 31st March, 2017

Ageing	Not Due	0-90	91-180	181-365	Above 365	Total
Gross carrying amount	2,571.97	955.12	162.15	122.55	980.28	4,792.07
Expected credit losses	0.02	0.01	0.01	0.08	849.82	849.94
Carrying amount of trade receivable (net of impairment)	2,571.95	955.11	162.14	122.47	130.46	3,942.13

Movement in the allowance for doubtful debts

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Impairment losses recognised on receivables	74.25	131.24
Amounts written off during the year as uncollectible	(0.95)	(12.46)
Amounts recovered during the year	(59.65)	(46.15)
Balance at end of the year	863.59	849.94

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Trade receivables of ₹ 863.59 Lakhs (Previous year ₹ 849.94 Lakhs) were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered.

10. Loans

10A. Non Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Security deposits		
- Unsecured, considered good	125.29	162.08
- Unsecured, considered doubtful	9.80	9.80
Less : Allowance for bad and doubtful loans	9.80	9.80
Total (a)	125.29	162.08
b) Loans to others		
- Secured, considered good (Refer Note 44)	4,391.78	4,391.78
Less : Allowance for bad and doubtful loans	4,391.78	4,391.78
Total (b)	-	-
Total (a+b)	125.29	162.08

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

10B. Current		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
a) Loans and advances to employees			
- Unsecured, considered good	34.71	11.22	
- Doubtful	2.88	2.78	
Less : Allowance for doubtful loans and advances	2.88	2.78	
Total (a)	34.71	11.22	
b) Security deposits			
- Unsecured, considered good	5.01	6.46	
Total (b)	5.01	6.46	
c) Loans to others			
- Unsecured, considered doubtful (refer Note 8 and Note 43)	375.00	375.00	
Less : Allowance for bad and doubtful loans	375.00	375.00	
Total (c)	-	-	
Total (a+b+c)	39.72	17.68	

Note: The above loans are carried at amortised cost.

Movement in the allowance for bad and doubtful loans and advances

		₹ in Lakhs	
Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017	
Balance at beginning of the year	4,779.36	4,778.98	
Impairment losses recognised on receivables	0.10	0.38	
Balance at end of the year	4,779.46	4,779.36	

11. Other financial assets

11A. Non current		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
Balance held as margin money with banks with remaining maturity period of more than 12 months			
- Unsecured, considered good	1.06	5.00	
Total	1.06	5.00	

11B. Current		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
a) Accruals:			
i) Interest accrued on deposits with bank	0.60	0.66	
ii) Interest accrued on investments	0.68	0.68	
Total (a)	1.28	1.34	
b) Contractually reimbursable expenses from related parties	275.51	798.98	
Total (b)	275.51	798.98	
c) Other current receivables			
Unsecured, considered good	0.64	6.12	
Total (c)	0.64	6.12	
d) Unbilled Revenue (Refer Note below)	4,544.71	3,095.57	
Total (d)	4,544.71	3,095.57	
Total (a+b+c+d)	4,822.14	3,902.01	

Note:

The stage of completion of real estate development project is determined based on the proportion of the actual cost incurred in construction as against the total estimated construction cost of the aforesaid project. Accordingly, excess of revenue recognised over actual bills raised has been classified as unbilled revenue. This amount has been reclassified from "Other current assets" - Note 14B considering contractual rights and historical trends as the said disclosure is more relevant to the users of the financial statements. This change does not result in any impact on total current assets.

12. Inventories

		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
Inventories (lower of cost and net realisable value)			
Raw materials including packing materials [(In transit ₹ 33.24 Lakhs; (Previous year ₹ Nil)]	1,750.19	1,148.80	
Work-in-progress	456.20	384.35	
Finished goods [(In transit ₹ 11.04 Lakhs; (Previous year ₹ Nil)]	708.36	782.63	
Stock-in-trade	-	0.28	
Stores and spares	289.10	274.91	
Real estate work-in-progress	5,586.14	4,804.58	
Total	8,789.99	7,395.55	

Refer Note 27, 28 A for details of cost of inventories recognised as an expense during the year in respect of continuing operations.

The cost of inventories recognised as an expense includes ₹ 56.95 Lakhs (for the previous year ended 31st March, 2017: ₹(-)93.12 Lakhs) in respect of write-downs / (reversal of write down) to net realisable value respectively.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

13. 13A. Cash and cash equivalents		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
Balances with Banks			
a) In current accounts	2,004.43	178.04	
b) In EEFC Account [USD 93,213.74; (Previous year USD Nil)]	60.54	-	
	<u>2,064.97</u>	<u>178.04</u>	
Cheques on hand	97.49	1,472.28	
Cash on hand	5.75	6.74	
Total	<u>2,168.21</u>	<u>1,657.06</u>	

13B. Other Bank balances		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
a) Earmarked balance with the banks:			
- Unpaid dividends	0.00*	0.00*	
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited under lien.	53.27	1.28	
c) Balances held as margin money / under lien with remaining maturity of less than 12 months	64.88	64.88	
Total	<u>118.15</u>	<u>66.16</u>	

* Amount is below the rounding off norm adopted by the Company.

14. Other assets

14A. Non Current		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
a) Capital Advances	237.47	112.77	
b) Prepaid expenses	85.55	5.92	
c) Prepaid lease hold assets	23.60	24.06	
d) Balances with government authorities			
- Unsecured, considered good	49.18	137.81	
- Doubtful	46.69	46.69	
Less : Allowance for doubtful balances	46.69	46.69	
	<u>49.18</u>	<u>137.81</u>	
e) Advance wealth tax	408.29	408.29	
Total	<u>804.09</u>	<u>688.85</u>	

14B. Current		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
a) Advances for supply of goods and services			
- Unsecured, considered good	114.89	201.35	
- Doubtful	8.55	21.41	
Less : Allowance for doubtful advances	8.55	21.41	
	<u>114.89</u>	<u>201.35</u>	
b) Prepaid expenses	99.39	139.43	
c) Prepaid lease hold assets	0.46	0.46	
d) Balances with statutory / government authorities	167.96	423.89	
e) Export incentives receivables	101.40	129.65	
Total	<u>484.10</u>	<u>894.78</u>	

15. Equity share capital		₹ in Lakhs	
Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017	
Authorised Share capital :			
1,50,00,000 fully paid equity shares of ₹ 10 each	1,500.00	1,500.00	
Issued, subscribed and paid-up share capital:			
1,28,98,616 fully paid equity shares of ₹ 10 each (Previous year 1,28,98,616)	1,289.86	1,289.86	
	<u>1,289.86</u>	<u>1,289.86</u>	

Notes:

1 Fully paid equity shares

Particulars	Number of shares	Share Capital ₹ in Lakhs
Balance as at the year end	1,28,98,616	1,289.86

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Shapoorji Pallonji and Company Private Limited, the holding company	93,59,293	93,59,293
Forbes Campbell Finance Limited, subsidiary of the company	1,66,398	1,66,398
Total	95,25,691	95,25,691

3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56	93,59,293	72.56
India Discovery Fund Limited	11,48,255	8.90	11,48,255	8.90
Total	1,05,07,548	81.46	1,05,07,548	81.46

4 The Company has not 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.

16. Other equity

Particulars	₹ in Lakhs		(i) Equity shares	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017		31st Mar., 2018	31st Mar., 2017
a) General reserve			Dividend for the year 31st March, 2017 of ₹ 2.50 per fully paid share had been proposed by the directors in their meeting held on 24th May, 2017 which has been approved by share holders at the Annual General Meeting held on 24th August, 2017.	322.47	-
Balance as at the year end	16,188.60	16,188.60	Dividend distribution tax paid	65.65	-
b) Debenture redemption reserve (Refer Note 1 below)					
Balance as at the year end	2,500.00	2,500.00			
c) Retained earnings			(ii) Proposed dividend		
Balance at beginning of the year	4,172.66	(5,444.71)	Dividend not recognised at the end of reporting year		
Profit for the year	4,090.01	9,661.13	In addition to the above dividends, since year end, the board of directors have recommended the payment of a dividend of ₹ 2.50 for the year ended March 31, 2018 (Previous year ₹ 2.50) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	322.47	322.47
Other comprehensive income	2.74	(43.76)	Dividend Distribution Tax on proposed dividend	66.28	65.65
Payment of dividends on equity shares	(322.47)	-			
Dividend distribution tax	(65.65)	-			
Balance at end of the year	7,877.29	4,172.66			
Total	26,565.89	22,861.26			

Note 1: The Company has issued Redeemable Non-convertible Debentures. The Companies (Share Capital and Debenture) Rules, 2014 (as amended), requires the Company to create Debenture Redemption Reserve out of profits of the Company available for payment of dividend for an amount equal to 25% of the value of debentures issued, which has been accordingly reflected above.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

17. Non-current Borrowings

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
Secured – at amortised cost				
(a) Debentures (Refer Note 1 below)				
Redeemable Non-Convertible Debentures - Secured by mortgage of premises being the land and factory situated at Waluj, Aurangabad together with plant and machinery and other support facilities.	8,208.22	9,963.74	1,770.85	-
(b) Term loans				
From others (Financial Institutions)				
Export Import Bank of India - Production Equipment Finance Programme 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, account foreclosed during the year. Rate of interest in the range of 11.00% p.a to 12.00% p.a.]	-	34.89	-	68.70
	8,208.22	9,998.63	1,770.85	68.70
Less: Amount disclosed under “Other current financial liabilities”	-	-	(1,770.85)	(68.70)
Total	8,208.22	9,998.63	-	-

Note:

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

Sr. No.	Face Value per Debenture and Date of Allotment	As at 31.03.2018 ₹ in Lakhs	As at 31.03.2017 ₹ in Lakhs	Coupon	Terms of Repayment
1	10,00,000 - 10th September, 2015	6,000.00	6,000.00	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 follows: 30% at the end of 36 months i.e. on 10th September, 2018, 30% at the end of 48 months i.e. on 10th September, 2019 and 40% at the end of 60 months i.e. on 10th September, 2020.
2	10,00,000 - 20th July, 2016	4,000.00	4,000.00	9.10% payable half yearly	Repayment on 22nd July, 2019.
		10,000.00	10,000.00		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

18. Other financial liabilities

18A. Non Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Security deposits	468.65	414.27
Financial guarantee contracts	46.67	-
Total	515.32	414.27

18B. Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Current maturities of long term borrowings	1,770.85	68.70
b) Interest accrued but not due on borrowings	98.42	104.62
c) Unpaid dividends **	0.00*	0.00*
d) Others :-		
- Payables on purchase of fixed assets	75.85	21.12
- Security deposits	449.63	416.24
- Financial guarantee contracts	51.08	-
- Amounts refundable to customers	99.07	-
Total	2,544.90	610.68

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

* Amount is below the rounding off norm adopted by the Company.

19. Provisions

19A. Non current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Employee benefits		
Gratuity (Refer Note 35)	59.26	46.20
Other post retirement benefits (Refer Note 35)	275.67	299.65
b) Other Provisions (Refer Note 1 below)	839.44	970.74
Total	1,174.37	1,316.59

19B. Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Employee benefits		
Compensated absences	316.90	303.66
Gratuity (Refer Note 35)	92.96	87.34
Other post retirement benefits (Refer Note 35)	58.44	62.40
Total	468.30	453.40

Note: 1

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Other Provisions (see note below)		
Balance at the beginning of the year	970.74	733.36
Add: Provisions made during the year	-	900.00
Less: Utilisation / reversal during the year	131.30	662.62
Balance at the end of the year	839.44	970.74

The provision for contingencies represent the Company's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities.

20. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Deferred tax assets	2,888.44	2,234.87
Deferred tax liabilities	(762.22)	(640.24)
Net	2,126.22	1,594.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

Current Year (2017-2018)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	(640.24)	(121.98)	-	(762.22)
b) Allowances for doubtful debts and advances	275.00	0.31	-	275.31
c) Defined benefit obligation	46.22	7.94	(1.45)	52.71
d) Other financial liabilities - Provisions and liabilities to be allowed on payment basis	306.03	116.01	-	422.04
e) Voluntary Retirement Scheme	114.76	(38.37)	-	76.39
Total (a)	101.77	(36.09)	(1.45)	64.23
f) Tax losses	410.69	(41.85)	-	368.84
g) Others (MAT Credit)	1,082.17	610.98	-	1,693.15
Total (b)	1,492.86	569.13	-	2,061.99
Total (a+b)	1,594.63	533.04	(1.45)	2,126.22

Previous Year (2016-2017)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	(559.24)	(81.00)	-	(640.24)
b) Allowances for doubtful debts and advances	423.43	(148.43)	-	275.00
c) Defined benefit obligation	170.94	(147.88)	23.16	46.22
d) Other financial liabilities - Provisions and liabilities to be allowed on payment basis	194.48	111.55	-	306.03
e) Voluntary Retirement Scheme	25.05	89.71	-	114.76
Total (a)	254.66	(176.05)	23.16	101.77
f) Tax losses	2,363.34	(1,952.65)	-	410.69
g) Unabsorbed depreciation	725.51	(725.51)	-	-
h) Others (MAT Credit)	-	1,082.17	-	1,082.17
i) Write down of deferred tax asset	(3,343.51)	3,343.51	-	-
Total (b)	(254.66)	1,747.52	-	1,492.86
Total (a+b)	-	1,571.47	23.16	1,594.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

20.1 Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Unused tax losses for which no deferred tax asset have been recognised	-	2,753.10
	-	2,753.10

21. Other liabilities

21A. Non-current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Advances from customers	-	22.40
Total	-	22.40

21B. Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Advances from customers	683.90	608.37
b) Statutory remittances	183.89	486.36
c) Others		
- Payable to Employees	922.67	902.18
- Other payables	-	2.07
Total	1,790.46	1,998.98

22. Borrowings

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Unsecured - at amortised cost		
Loans from other parties		
Commercial papers including interest accrued aggregating ₹ 24.86 Lakhs (Previous year ₹ 18.65 Lakhs) [maximum amount outstanding during the year ₹ 8,000 Lakhs (Previous year ₹ 6,100 Lakhs)]	6,890.84	4,920.09
(Loans are having tenure upto 91 days, interest rate is in the range of 7.80% p.a. to 8.10% p.a. and settlement through bullet repayment on respective due dates)		
Total	6,890.84	4,920.09

**23. Trade payables
Current**

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Micro and small enterprises	365.12	308.26
Others (includes due to related parties as per Note 40)	3,564.59	4,014.83
Total	3,929.71	4,323.09

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	₹ in Lakhs	
	31st Mar., 2018	31st Mar., 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	241.65	206.41
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.54	10.60
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	168.44	184.96
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.88	1.81
Further interest remaining due and payable for earlier years	117.05	89.44

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

24. Current tax assets and liabilities

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Current tax assets		
Tax refund receivable (net of provisions aggregating ₹ 4,515.86 Lakhs)	2,113.33	3,031.79
	<u>2,113.33</u>	<u>3,031.79</u>
Current tax liabilities		
Income tax payable (net of tax aggregating ₹ 5,848.09 Lakhs)	516.97	1,692.19
	<u>516.97</u>	<u>1,692.19</u>
Net Asset	<u>1,596.36</u>	<u>1,339.60</u>
Balance at the beginning of the year	1,339.60	2,531.97
Add: Taxes paid	1,306.76	7.63
Less: Current tax payable for the year	(1,050.00)	(1,200.00)
Balance at the year end	<u>1,596.36</u>	<u>1,339.60</u>

25. Revenue from operations

The following is an analysis of the Company's revenue for the year from continuing operations.

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
a) Income from real estate contracts	9,516.53	9,420.03
b) Sales		
Sale of products (including excise duty)		
i) Sale of products	17,858.34	17,120.99
	<u>17,858.34</u>	<u>17,120.99</u>
Sale of services		
i) Commission income	309.28	2.59
ii) Service income	343.12	155.25
	<u>652.40</u>	<u>157.84</u>
c) Other operating revenues		
i) Rent and amenities	1,667.76	1,564.22
ii) Export incentives	48.77	60.16
iii) Others (mainly includes scrap sales)	37.34	23.73
	<u>1,753.87</u>	<u>1,648.11</u>
Total	<u>29,781.14</u>	<u>28,346.97</u>

26. Other Income

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	5.29	6.52
ii) Inter-corporate deposit	-	54.08
iii) Customers and others	67.64	70.25
Total (a)	<u>72.93</u>	<u>130.85</u>
(above all amounts are measured at amortised cost)		
b) Dividend Income		
i) from long-term investments	0.07	0.07
ii) from current investments	-	27.35
Total (b)	<u>0.07</u>	<u>27.42</u>
c) Other Non-Operating Income		
i) Credit balances / excess provision written back	42.56	641.10
ii) Interest on Income Tax refund	29.85	49.71
iii) Miscellaneous income	272.51	224.38
Total (c)	<u>344.92</u>	<u>915.19</u>
d) Other gains and losses		
i) Gain on disposal of property, plant and equipment	-	0.08
ii) Gain/(loss) on disposal of current investments	12.29	79.79
iii) Gain on fair value / interest of long-term investments in subsidiaries	136.32	116.41
iv) Net foreign exchange gains	49.00	30.07
v) Guarantee Commission (including notional income recognised)	101.22	71.06
Total (d)	<u>298.83</u>	<u>297.41</u>
Total (a+b+c+d)	<u>716.75</u>	<u>1,370.87</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

27. Real estate development costs

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
i) Material and Contractual Payments	3,819.74	2,806.17
ii) Fees for technical services / design and drawings	217.89	701.48
iii) Project Management Consultancy Fees	117.68	831.22
iv) Fees-filing with Statutory Authorities	1,629.01	4,389.97
v) Interest on borrowings	445.38	12.25
vi) Operation and maintenance expenses	174.64	79.52
Total	6,404.34	8,820.61

28. A. Cost of materials consumed (raw and packing materials)

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Opening stock of raw materials including packing material	1,148.80	983.36
Purchases	7,393.85	6,068.82
	8,542.65	7,052.18
Less: Closing stock of raw materials including packing material	1,750.19	1,148.80
	6,792.46	5,903.38

Consumption is arrived at on the basis of opening stock plus purchases less closing stock and includes the adjustments of excess and shortage as ascertained on physical count.

B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.

Inventories at the end of the year:		
i) Finished goods	708.36	782.63
ii) Work-in-progress	456.20	384.35
iii) Stock-in-trade	-	0.28
iv) Real estate development work-in-progress	5,586.14	4,804.58
	6,750.70	5,971.84
Inventories at the beginning of the year:		
i) Finished goods	782.63	725.89
ii) Work-in-progress	384.35	360.03
iii) Stock-in-trade	0.28	3.53
iv) Real estate development work-in-progress	4,804.58	1,524.45
	5,971.84	2,613.90
Net increase	(778.86)	(3,357.94)

29. Employee benefits expense

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
i) Salaries and Wages	3,583.35	3,866.13
ii) Contribution to provident and other funds	307.75	252.56
iii) Staff Welfare Expenses	368.91	291.22
Total	4,260.01	4,409.91

30. Finance costs

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
(a) Interest costs :-		
i) Interest on bank overdrafts and loans	1,092.18	1,129.09
ii) Delayed payment of taxes	0.35	8.75
iii) Other interest expense	21.62	30.97
	1,114.15	1,168.81
(b) Exchange differences regarded as an adjustment to borrowing costs	-	1.64
(c) Other borrowing costs	58.64	64.66
Total	1,172.79	1,235.11

31. Depreciation and amortisation expense

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
i) Depreciation on property, plant and equipment (Refer Note 5)	709.61	504.43
ii) Depreciation of investment properties (Refer Note 6)	62.17	62.37
iii) Amortisation of intangible assets (Refer Note 7)	25.28	33.66
Less: Transferred to Real Estate work-in-progress	(1.19)	(1.19)
Less: Depreciation related to discontinued operations (Refer Note 41)	-	(1.64)
Total	795.87	597.63

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

32. A. Other expenses

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Consumption of stores and spare parts	854.22	738.08
Increase / (decrease) of excise duty on inventory	(144.39)	3.27
Processing charges	1,229.62	1,049.10
Power and fuel	545.13	537.99
Service charges	338.61	232.06
Rent and hire charges	278.92	251.89
Repairs to :		
i) Buildings	232.98	251.85
ii) Plant and machinery	269.37	258.71
iii) Others	166.15	145.27
	668.50	655.83
Insurance	30.42	40.10
Rates and taxes	138.67	124.31
Selling expenses, commission and brokerage	421.30	202.65
Freight and outward charges	383.30	310.27
Advertisement and sales promotion	223.73	132.73
Printing and Stationery	72.07	52.71
Communication	113.05	131.32
Legal and professional charges	405.06	605.20
Travelling and conveyance	357.57	295.20
Trade receivables written off	3.16	0.08
Less: Provision held	0.95	-
	2.21	0.08
Advances written off	18.16	14.85
Less: Provision held	12.84	-
	5.32	14.85
Provision for doubtful trade receivables	14.60	85.08
Provision for doubtful loans and advances	0.08	1.83
Provision for Contingencies	-	900.00
Loss on sale of property, plant and equipment (net)	28.25	-
Corporate social responsibility expenditure (Refer Note 2 below)	1.20	-
Miscellaneous expenses	790.87	566.37
Auditors remuneration		
To Statutory Auditors		
i) For audit	26.24	47.24
ii) For taxation matters	-	17.79
iii) For other services	26.01	15.15
iv) For reimbursement of expenses	2.64	1.14
	54.89	81.32
To cost auditors for cost audit	3.88	4.64
	58.77	85.96
Total	6,817.08	7,016.88

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

Note 1: Included in other expenses are the below:

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Direct operating expenses arising from investment property that generated rental income during the year	163.53	169.79
Direct operating expenses arising from investment property that did not generate rental income during the year	8.35	40.50
Total	171.88	210.29

Note 2: Details of Corporate social responsibility expenditure:

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities. A CSR committee has been formed by the Company as per the Act.

Amount required to be spent as per section 135 of the Act.

21.00 -

Amount spent/commitments during the year:

i) Constructions/ Acquisition of an asset

1.20 -

ii) Agreements entered for construction / acquisition of assets

19.80 -

Total

21.00 -

B. Exceptional items

Profit on sale of investment (Refer Note 8C)

- 750.01

Termination benefits and one time settlement with employees

- (78.09)

Reversal/(Provision) for impairment in the value of investments (Refer Note 8A)

- 2,380.00

Loss on Capital Reduction of investment in equity shares of subsidiary (Refer Note 8A)

- (1,931.50)

- 1,120.42

33. Income taxes

33.1 Income tax recognised in profit or loss

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
For Continuing operations		
Current tax		
In respect of the current year	1,050.00	577.00
Deferred tax		
In respect of the current year	(533.04)	(1,078.95)
For Discontinuing operations		
Current tax		
In respect of the current year	-	623.00
Deferred tax		
In respect of the current year	-	(492.52)
	516.96	(371.47)

The income tax expense for the year can be reconciled to the accounting profit as follows:

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Profit before tax from total operation	4,606.97	9,289.66
Income tax expense calculated at 34.608% (2016-2017: 34.608%)	1,594.38	3,214.97
Effect of expense that is non deductible in determining taxable profit	17.68	256.39
Effect of tax incentives and concession	(72.69)	(1,963.36)
Effect of deduction claimed for which deferred tax assets was not recognised in past	(29.12)	-
Effect of past losses for which deferred tax asset is recognised in current year	(952.79)	(1,962.40)
Others	(40.50)	82.93
Income tax expense recognised in the Statement of Profit and Loss	516.96	(371.47)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

33.2 Income tax recognised in other comprehensive income

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Deferred tax		
Re-measurement of defined benefit obligation	1.45	(23.16)
Total income tax expense recognised in other comprehensive income	1.45	(23.16)

34. Earnings per share

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
	₹ per share	₹ per share
Basic earnings per share for continuing operation	31.71	38.49
Basic earnings per share for discontinued operation	-	36.41
Total basic earnings per share attributable to equity share holders	31.71	74.90
Diluted earnings per share for continuing operation	31.71	38.49
Diluted earnings per share for discontinued operation	-	36.41
Total diluted earnings per share attributable to equity share holders	31.71	74.90

34.1 Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
	Profit from continuing operations (A) (₹ in Lakhs)	4,090.01
Profit from discontinued operations (B) (₹ in Lakhs)	-	4,695.29
Profit for the year attributable to owners' of the Company (C= A+B) (₹ in Lakhs)	4,090.01	9,661.13
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in Lakhs) (D)	128.99	128.99
Basic Earnings per equity share for continuing operation (A/D) (₹)	31.71	38.49
Basic Earnings per equity share for discontinued operation (B/D) (₹)	-	36.41
Basic Earnings per share (C/D) (₹)	31.71	74.90

34.2 Diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows.

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
	Earnings used in the calculation of basic earnings per share for continuing (A) (₹ in Lakhs)	4,090.01
Earnings used in the calculation of basic earnings per share for discontinued operation (B) (₹ in Lakhs)	-	4,695.29
Earnings used in the calculation of diluted earnings per share C = (A+B) (₹ in Lakhs)	4,090.01	9,661.13
Weighted average number of equity shares used in the calculation of basic earnings per share (Quantity in Lakhs)	128.99	128.99
Weighted average number of equity shares used in the calculation of diluted earnings per share (Quantity in Lakhs) (D)	128.99	128.99
Diluted earnings per share for continuing operations (A/D) (₹)	31.71	38.49
Diluted earnings per share for discontinued operations (B/D) (₹)	-	36.41
Diluted earnings per share (C/D) (₹)	31.71	74.90

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

35. Employee Benefits :

Brief description of the Plans:

The Company has various schemes for long term benefits such as Provident Fund, Gratuity, Superannuation, Employees State Insurance Fund (ESIC) and Employees' Pension Scheme, Leave Encashment, Post Retirement Medical and Non Compete fees. The Company's defined contribution plans are Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Provident Fund, Gratuity, Post Retirement Medical and Non Compete fees.

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The gratuity plan is a funded plan and the Company had obtained insurance policies with Life Insurance Corporation of India(LIC) and makes a contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government Family Pension Fund / provident fund managed by the trust set up by the Company which are charged to the Statement of Profit and Loss as incurred.

A large portion of assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

Under the post-retirement medical, and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Company accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

I. Charge to the Statement of Profit and Loss based on contributions:

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Employer's contribution to Pension Fund	49.97	55.10
Employer's contribution to Superannuation Fund	83.88	80.98
Employer's contribution to ESIC and other funds	21.52	17.80

Included in Contribution to Provident and Other Funds
(Refer Note 29)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

II. Disclosures for defined benefit plans based on actuarial valuation reports :-

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Present Value of Defined Benefit Obligation as at beginning of the year	802.46	907.71	362.05	376.94
Interest Cost	58.42	71.87	26.14	29.64
Current Service Cost	40.98	44.79	-	-
Past Service Cost	17.23	-	-	-
Benefits Paid	(97.12)	(265.09)	(49.98)	(52.58)
Remeasurement of defined benefit obligation	7.43	43.18	(4.10)	8.05
Present Value of Defined Benefit Obligation as at the end of the year	829.40	802.46	334.11	362.05

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Fair Value of Plan Assets as at beginning of the year	668.92	744.32	-	-
Interest Income	48.77	59.84	-	-
Contributions from employer	49.09	131.93	-	-
Benefits Paid	(97.12)	(251.23)	-	-
Return on Plan Assets, excluding Interest Income	7.52	(15.94)	-	-
Fair Value of Plan Assets as at the end of the year	677.18	668.92	-	-

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended	Year Ended	Year Ended	Year Ended
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Present Value of Defined Benefit Obligation as at the end of the year	829.40	802.46	334.11	362.05
Fair Value of Plan Assets as at end of the year	677.18	668.92	-	-
Net Liability recognised in the Balance Sheet (Refer Note 19A and 19B)	152.22	133.54	334.11	362.05
Recognised under:				
Non - current provision (Refer Note 19A)	59.26	46.20	275.67	299.65
Current provision (Refer Note 19B)	92.96	87.34	58.44	62.40

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded) *		Others (Post Retirement medical and non compete fees) (Non funded) #	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
	Current Service Cost	40.98	44.79	-
Past Service Cost	17.23	-	-	-
Net interest	9.65	12.03	26.14	29.64
Total Expenses recognised in the Statement of Profit and Loss	67.86	56.82	26.14	29.64

* Included in Contribution to Provident and Other Funds (Refer Note 29)

included in Salaries and Wages (Refer Note 29)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for the Year

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
	Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in financial assumptions	(18.21)	37.06	(8.04)
Actuarial (Gains)/Losses on Obligation For the Year - Due to experience adjustment	3.48	5.87	3.94	(2.05)
Return on Plan Assets, excluding Interest Income	(7.52)	15.94	-	-
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	22.16	-	-	-
Net (Income)/Expense Recognized in OCI	(0.09)	58.87	(4.10)	8.05

F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
	Discount Rate (per annum)	7.80%	7.29%	7.65% - 7.86%
Salary escalation rate	6.00%	6.00%	0.00%	0.00%
Rate of employee turnover	8.00%	2.00%	0.00%	0.00%

G. Movements in the present value of net defined benefit obligation are as follows:

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
	Opening Net Liability	133.54	163.39	362.05
Expenses Recognized in Statement of Profit and Loss	67.86	56.82	26.14	29.64
Expenses / (Income) Recognized in OCI	(0.09)	58.87	(4.10)	8.05
Benefit Paid Directly by the Employer	-	(13.61)	(49.98)	(52.58)
Employer's Contribution	(49.09)	(131.93)	-	-
Net Liability Recognized in the Balance Sheet	152.22	133.54	334.11	362.05

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

H. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Government of India Assets (Central and State)		
Insurance fund	677.18	668.92
Total	677.18	668.92

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory Development Authority Regulations.

I. Other Details

Particulars	Gratuity		Others (Post Retirement medical and non compete fees)	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
Number of Active Members	438	433	-	-
Per Month Salary For Active Members (₹ in Lakhs)	88.25	86.27	-	-
Weighted Average Duration of the Projected Benefit Obligation	7	8	-	-
Average Expected Future Service (Years)	8	15	-	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	829.40	802.46	334.11	362.05
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	88.25	86.27	-	-

J. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the Year Ended 31st Mar., 2018	Estimated for the Year Ended 31st Mar., 2017	Estimated for the Year Ended 31st Mar., 2018	Estimated for the Year Ended 31st Mar., 2017
	Gratuity		Other Post Employment Benefits	
1st Following Year	177.04	100.81	58.44	62.40
2nd Following Year	80.13	82.12	58.44	62.40
3rd Following Year	141.41	65.24	58.44	62.40
4th Following Year	78.27	112.56	58.44	62.40
5th Following Year	73.85	48.80	58.44	62.40
Sum of Years 6 to 10	378.07	391.35	292.22	312.01
Sum of Years 11 and above	338.20	752.58	-	-

K. Sensitivity Analysis

₹ in Lakhs

	As at 31st Mar., 2018	As at 31st Mar., 2017
	Gratuity	
Impact of +1% Change in Rate of Discounting	(33.12)	(48.94)
Impact of -1% Change in Rate of Discounting	36.63	56.19
Impact of +1% Change in Rate of Salary Increase	36.18	56.36
Impact of -1% Change in Rate of Salary Increase	(33.45)	(49.94)
Impact of +1% Change in Rate of Employee Turnover	3.37	4.49
Impact of -1% Change in Rate of Employee Turnover	(3.75)	(5.14)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

L. Provident Fund

The Company has established 'Forbes & Company Ltd. Employees Provident Fund' in respect of all the employees to which both the employee and employer make contribution equal to 12% of the employees' basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Company's contribution to the provident fund	84.52	82.01

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Approach used	Deterministic	Deterministic
Increase in compensation levels	6.00%	6.00%
Discount Rate	7.80%	7.29%
Attrition Rate	8.00%	2.00%
Weighted Average Yield	8.19%	8.19%
Weighted Average YTM	8.60%	8.60%
Reinvestment Period on Maturity	5 years	5 years
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

M. The liability for Compensated absences (Non – Funded) as at year end is ₹ 316.90 Lakhs (Previous year as at year end is ₹ 303.66 Lakhs) (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

36. Financial Instruments

36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 17, 18B and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

₹ in Lakhs

	31st Mar., 2018	31st Mar., 2017
Total Equity	27,855.75	24,151.12
Short Term Borrowings	6,890.84	4,920.09
Long Term Borrowings	8,208.22	9,998.63
Current Maturities of Long Term Borrowings	1,770.85	68.70
Total Debt	16,869.91	14,987.42
Cash and Cash equivalents	2,168.21	1,657.06
Bank balances other than above	118.15	66.16
Net Debt	14,583.55	13,264.20

Debt Equity ratio **0.36** 0.42

Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

36.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

36.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 36.6) and interest rates (Refer Note 36.6). The company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

36.4 Credit risk management**Trade receivables**

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Investments in subsidiaries, associates and joint ventures

The Company had invested in various subsidiaries and associates. The approved future business plans and cash flow projections of the subsidiaries and associates are evaluated by the management of the Company on an ongoing basis and based on this evaluation the recoverability of the investments is considered to be good.

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to the financial guarantees given to banks on behalf of subsidiaries by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on is ₹ 18,270.40 Lakhs as at 31st March, 2018 (*Previous year as at 31st March, 2017 is ₹ 16,920.00 Lakhs*). Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

36.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company has the following undrawn credit lines available as at the end of the reporting period.

	₹ in Lakhs	
	31st Mar., 2018	<i>31st Mar., 2017</i>
- Expiring within one year (Bank CC Limits Sanctioned)	3,650.00	<i>3,650.00</i>
- Expiring beyond one year	-	-
	3,650.00	<i>3,650.00</i>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	31st Mar., 2018			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (includes interest)	9,636.60	8,749.48	-	-
Trade Payables	3,929.71	-	-	-
Other Financial Liabilities	675.63	515.32	-	-
	14,241.94	9,264.80	-	-

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	31st Mar., 2017			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (includes interest)	6,038.05	11,942.05	-	-
Trade Payables	4,323.09	-	-	-
Other Financial Liabilities	437.36	414.27	-	-
	10,798.50	12,356.32	-	-

36.6 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31st Mar., 2018				As at 31st Mar., 2017			
	Advances from customers		Trade receivables		Advances from customers		Trade receivables	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.20	13.00	6.47	420.32	0.01	0.80	5.80	376.09
GBP	-	-	1.11	101.08	-	-	1.26	102.36
EUR	0.37	29.25	1.77	141.76	-	-	0.00*	0.10

Currencies	As at 31st Mar., 2018				As at 31st Mar., 2017			
	Advances to vendors		Trade payables		Advances to vendors		Trade payables	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	0.32	20.58	13.86	900.48	0.30	19.65	8.72	565.25
EUR	0.11	8.77	0.27	21.21	0.17	11.54	0.30	20.68
CHF	-	-	0.17	11.31	0.02	1.02	0.03	2.04
GBP	-	-	0.00 *	0.08	0.01	0.85	0.00*	0.07
CNY	-	-	-	-	0.32	3.03	-	-
AUD	-	-	0.00 *	0.14	-	-	-	-
THB	0.93	1.94	-	-	-	-	-	-

Currencies	As at 31st Mar., 2018				As at 31st Mar., 2017			
	Loans		Current Account Balances		Loans		Current Account Balances	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs
USD	-	-	0.93	60.54	-	-	-	-

Of the above, the Company is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

As at 31st Mar., 2018

₹ in Lakhs

Currencies	Increase/ Decrease	Total Assets in FC	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	7.72	14.06	3.25	(20.60)
USD	Decrease by 5%	7.72	14.06	(3.25)	20.60
GBP	Increase by 5%	1.11	0.00*	4.55	5.05
GBP	Decrease by 5%	1.11	0.00*	(4.55)	(5.05)
EUR	Increase by 5%	1.88	0.63	4.00	5.00
EUR	Decrease by 5%	1.88	0.63	(4.00)	(5.00)

As at 31st Mar., 2017

₹ in Lakhs

Currencies	Increase/ Decrease	Total Assets in FC	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	6.11	8.74	3.24	(8.52)
USD	Decrease by 5%	6.11	8.74	(3.24)	8.52
GBP	Increase by 5%	1.28	0.00*	4.05	5.16
GBP	Decrease by 5%	1.28	0.00*	(4.05)	(5.16)
EUR	Increase by 5%	0.17	0.30	3.46	(0.45)
EUR	Decrease by 5%	0.17	0.30	(3.46)	0.45

* Amount is below the rounding off norm adopted by the Company

The Company is not subjected to interest rate risk since it does not have any variable rate borrowings.

36.7 Fair Value Disclosures**a) Categories of Financial Instruments:**

₹ in Lakhs

	31st Mar., 2018			31st Mar., 2017		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments*	357.83	-	809.93	2,521.11	-	994.85
Loans	-	-	165.01	-	-	179.76
Cash and Bank Balances	-	-	2,286.36	-	-	1,723.22
Trade Receivables	-	-	3,862.55	-	-	3,942.13
Other Financial Assets	-	-	4,823.20	-	-	3,907.01
	357.83	-	11,947.05	2,521.11	-	10,746.97
Financial liabilities						
Borrowings	-	-	15,099.06	-	-	14,918.72
Trade Payables	-	-	3,929.71	-	-	4,323.09
Other Financial Liabilities	-	-	3,060.22	-	-	1,024.95
	-	-	22,088.99	-	-	20,266.76

* Excludes investments in equity instruments of ₹ 19,457.18 Lakhs (Previous year ₹ 15,800.69 Lakhs) carried at cost less impairment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

b) **Fair Value Hierarchy and Method of Valuation**

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	31st Mar., 2018					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i.	0.65	-	-	0.65	0.65
Investments in Preference Shares	i.	-	-	-	-	-
Investments in debentures	i.	357.18	-	-	357.18	357.18

Financial Assets	31st Mar., 2017					
	Notes	Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL						
Investments						
Investments in Equity Instruments	i.	0.65	-	-	0.65	0.65
Investments in Preference Shares	i.	2,200.00	-	-	2,200.00	2,200.00
Investments in debentures	i.	320.46	-	-	320.46	320.46

There are no transfers between level 1, level 2 and level 3 during the year.

c) **Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the no changes in level 3 items for the period ended 31st March, 2018 and 31st March, 2017.

₹ in Lakhs

	Equity Instruments	Unquoted Preference Shares	Optionally Convertible Debentures	Total
As at 31st Mar., 2017	0.65	2,200.00	320.46	2,521.11
Converted to equity instrument (Refer Note 8)	-	2,200.00	-	2,200.00
Gains / Losses recognised in profit or loss	-	-	36.72	36.72
As at 31st Mar., 2018	0.65	-	357.18	357.83

d) **Valuation Process**

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

- 1) The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

e) **Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)**

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

f) Valuation inputs and relationships to fair value

Particulars	Fair values as at (₹ in Lakhs)		Unobservable inputs	Probability - weighted range		Sensitivity
	31st Mar., 2018	31st Mar., 2017		31st Mar., 2018	31st Mar., 2017	
Unquoted preference shares	-	2,200.00	Risk adjusted discount rate	-	7.5%-9%	2017: Higher discount rate by 100 bps would decrease the FV by ₹203.55 Lakhs and lower discount rate by 100 bps would increase the FV by ₹ 251.20 Lakhs.
Optionally convertible debentures	357.18	320.46	Risk adjusted discount rate	10.5%-12%	10.5%-12%	2018: Higher discount rate by 100 bps would decrease the FV by ₹41.26 Lakhs and lower discount rate by 100 bps would increase the FV by ₹ 47.24 Lakhs. 2017: Higher discount rate by 100 bps would decrease the FV by ₹39.36 Lakhs and lower discount rate by 100 bps would increase the FV by ₹ 45.44 Lakhs.

37. Operating lease arrangements

37.1(i) The Company as lessor

The Company has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 1,667.76 Lakhs (*previous year ₹ 1,564.22 Lakhs*) has been disclosed as "Rent and amenities" under Revenue from operations in Note 25 to the Statement of Profit and Loss.

The details of the premises leased are as follows:

37.1(ii) Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Not later than 1 year	450.15	598.74
Later than 1 year and not later than 5 years	232.83	355.47
Later than 5 years	-	-
Total	682.98	954.21

37.1(iii) The Company as lessee

The Company leases various offices and equipments under cancellable operating lease expiring within two to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated. Rent expenses relating to operating leases amounting to ₹ 278.92 Lakhs (*Previous Year ₹ 251.89 Lakhs*).

38. Commitments

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹ 237.47 Lakhs; (<i>Previous year ₹112.77 Lakhs</i>))	135.27	98.25
Total	135.27	98.25

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

39. Contingencies and other commitments

(To the extent not provided for)

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
(a) Claims against the Company not acknowledged as debts		
1 Taxes in dispute:-		
i) Excise demand [Advance paid against the demand ₹ 7.89 Lakhs; (Previous year ₹ 7.89 Lakhs)]	2,782.64	4,748.98
ii) Sales tax [Advance paid against the demand ₹ 57.66 Lakhs; (Previous year ₹ 55.62 Lakhs)]	443.06	421.87
iii) Income-tax [Advance paid against the demand ₹ 950.41 Lakhs; (Previous year ₹ 840.40 Lakhs)]	4,241.12	1,085.83
iv) Service-tax (Advance paid ₹ Nil)	732.68	732.68
v) Entry-tax [Advance paid ₹ Nil; (Previous year ₹ 38.45 Lakhs)]	-	76.90
vi) Customs duty [Advance paid ₹ 0.08 Lakhs; (Previous year ₹ 0.08 Lakhs)]	101.00	101.00
vii) Wealth tax [Advance paid ₹ 409.86 Lakhs; (Previous year ₹ 409.86 Lakhs)]	409.86	409.86
2 Labour matters in dispute	28.52	17.07
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
4 Customer claims	3,165.04	3,237.59
5 Other legal matters	6.40	6.20
(b) Other commitments :-		
i) Surety Bonds on behalf of Shipping Principals including subsidiary companies and jointly executed with third parties in favour of customs and other parties (net of provision)	64.00	3,165.00
ii) Guarantee on behalf of related parties	21,176.82	19,819.89

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

40. Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
A Holding Company	Shapoorji Pallonji and Company Private Limited
B Subsidiaries - Direct	Eureka Forbes Limited Forbes Campbell Finance Limited Forbes Container Lines Pte. Limited (Upto 19.08.2016) Shapoorji Pallonji Forbes Shipping Limited Forbes Technosys Limited Campbell Properties & Hospitality Services Limited Volkart Fleming Shipping and Services Limited
B Subsidiaries - Indirect	Aquamall Water Solutions Limited (Amalgamated with Eureka Forbes Limited w.e.f. 01.04.2016) Aquadiagnostics Water Research & Technology Centre Limited Forbes Lux International AG Baar Lux International AG Lux del Paraguay S.A. Forbes International AG (formerly Forbes Lux Group AG) Lux / Sk / s.r.o., Slovakia (Liquidated during the year) Lux Italia srl Lux Schweiz AG Lux (Deutschland) GmbH Lux International Services and Logistics GmbH (formerly Lux Service GmbH)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

		Lux Norge A/s	
		Lux Oesterreich GmbH	
		Lux CZ s.r.o (sold to third party during the year)	
		Lux Hungaria Kereskedelmi Kft	
		Lux Aqua Hungaria KFT	
		LIAG Trading & Investment Limited	
		Lux Professional International GmbH, Switzerland (formerly Lux Aqua GmbH)	
		Lux Waterline GmbH, Germany (w.e.f. 29.04.2016 upto 31.12.2017) (Refer Note 1 below)	
		Lux Aqua Czech s.r.o., Czech (w.e.f. 06.05.2016)	
		Brightyclean (Spain) S.L., Spain (sold to third party during the year)	
		Lux Professional GmbH, Germany (w.e.f. 22.12.2016 upto 31.12.2017) (Refer Note 1 below)	
		Lux Oesterreich Professional GmbH, Austria (w.e.f. 15.12.2016 upto 31.10.2017) (Refer Note 2 below)	
		Lux Aqua Paraguay SA (w.e.f. 01.12.2016)	
		Lux International Service Kft, Hungary (w.e.f. 06.01.2017)	
		EFL Mauritius Limited	
		Euro Forbes Limited Dubai	
		Forbes Lux FZCO	
		Forbes Facility Services Private Limited	
		Forbes Enviro Solutions Limited	
		Euro Forbes Financial Services Limited	
		Forbes Campbell Services Limited	
		Forbes Edumetry Limited (Under liquidation)	
		Forbesline Shipping Services LLC (Upto 19.08.2016)	
C	Fellow Subsidiaries (where there are transactions)	Afcons Infrastructure Limited	
		Forvol International Services Limited	
		Gokak Textiles Limited	
		Shapoorji Pallonji Oil and Gas Private Limited	
		Sterling and Wilson Private Limited	
		SP Fabricators Private Limited	
		United Motors (India) Private Limited	
D	Associates - Direct	Neuvo Consultancy Service Limited	
E	Joint Ventures - Direct	Shapoorji Pallonji Bumi Armada Offshore Limited (fomerly known as Forbes Bumi Armada Offshore Limited) (Upto 13.10.2016)	
E	Joint Ventures - Indirect	Forbes Bumi Armada Limited	
E	Joint Ventures of Holding Company / Fellow Subsidiary (where there are transactions)	Shapoorji Pallonji Bumi Armada Offshore Limited (fomerly known as Forbes Bumi Armada Offshore Limited) (w.e.f. 14.10.2016)	
		HPCL Shapoorji Energy Private Limited	
F	Key Management Personnel ("KMP")	Mahesh C. Tahilyani	Managing Director (w.e.f. 28.04.2016)
		Ashok Barat	Managing Director (Upto 27.04.2016)
		Non Executive Directors	
		Shapoor P.Mistry	Chairman
		Jai L. Mavani	Non-Executive Director
		S.L. Goklaney	Non-Executive Director (upto 30.06.2016)
		Jimmy J. Parakh	Non-Executive Director (upto 28.06.2016)
		Kaiwan D. Kalyaniwalla	Independent Director
		D. Sivanandhan	Independent Director
		Aslesha Gowariker	Independent Director (w.e.f. 30.06.2016)
		T.R. Doongaji	Independent Director (upto 04.05.2016)
		Kannan Dasaratharaman	Independent Director (upto 06.05.2016)
G	Post employment benefit plan	Forbes & Company Ltd. Employees Provident Fund	

- Note:1. Lux Waterline GmbH and Lux Professional GmbH in Germany were merged to Lux Deutschland GmbH w.e.f. 31st December, 2017.
2. Lux Osterreich Professional GmbH in Austria was merged to Lux Österreich GmbH w.e.f. 31st October, 2017.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	-	4.51	0.25	211.64	-	-	216.40
2	Advances received for real estate project	-	-	122.08	-	-	-	122.08
3	Interest accrued on investment	-	0.68	-	-	-	-	0.68
4	Trade Receivables	9.67	23.52	16.90	-	-	-	50.09
5	Unbilled Revenue (net of advance)	-	-	456.35	-	-	-	456.35
6	Contractually reimbursable expenses	73.17	125.36	76.98	-	-	-	275.51
7	Provision for Doubtful Trade Receivables	-	-	10.18	-	-	-	10.18
8	Deposits Payable	-	-	49.25	-	23.79	-	73.04
9	Deposits Receivable	-	5.00	-	-	-	-	5.00
10	Guarantees Given	-	18,270.40	-	-	2,906.42	-	21,176.82
11	Guarantees Taken	3,247.40	-	-	-	-	-	3,247.40
	Transactions							
	Purchases / Services							
12	Goods and Materials	-	-	-	187.28	-	-	187.28
	Sales / Services							
13	Revenue recognised for real estate project	-	-	1,011.24	-	-	-	1,011.24
14	Fixed Assets / Investments	0.50	-	-	-	-	-	0.50
	Expenses							
15	Rent	-	6.90	-	-	-	-	6.90
16	Travelling and conveyance expenses	-	-	189.42	-	-	-	189.42
17	Legal and professional charges	88.64	49.50	-	-	-	-	138.14
18	Brokerage, commission and other selling expense	-	-	-	126.91	-	-	126.91
19	Real estate development expenses	3,576.07	-	-	296.13	-	-	3,872.20
20	Remuneration	-	-	-	-	-	203.33	203.33
21	Miscellaneous expenses	-	67.04	0.23	-	-	19.54	86.81
22	Dividend paid	233.98	4.16	-	-	-	-	238.14
	Income							
23	Rent and amenities	23.92	55.26	173.06	-	95.17	-	347.41
24	Gain on fair value / interest of long-term investments in a subsidiary company	-	136.32	-	-	-	-	136.32
25	Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets	0.50	-	-	-	-	-	0.50
26	Guarantee Commission (including Notional Income recognised)	-	75.95	25.27	-	-	-	101.22
27	Miscellaneous Income	-	151.64	0.00*	-	-	-	151.64
	Other Receipts / Payments							
28	Other Reimbursements (Receipt)	-	60.09	25.06	-	-	-	85.15
29	Other Reimbursements (Payment)	-	-	-	109.62	-	-	109.62
	Finance							
30	Deposit Given	-	7.00	-	-	-	-	7.00
31	Repayment of Deposits Given	-	7.00	-	-	-	-	7.00
32	Purchase / Subscriptions to Investments	-	1,000.00	-	-	-	-	1,000.00
33	Advances received from customer	-	-	1,295.78	-	-	-	1,295.78
	Guarantees							
34	Given on behalf of a Subsidiary	-	3,850.39	-	-	-	-	3,850.39
35	Guarantee Returned	-	2,500.00	-	-	-	-	2,500.00

For details of investments in subsidiaries, associates and joint ventures refer Note 8

Terms and conditions:-

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

* Amounts are below the rounding off norms of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

40. Related party disclosures (contd.)

Current Year

(b) transactions/balances with above mentioned related parties

₹ in Lakhs

	A	B	B	B	B	B	B	B	C	C	C	C	C	D	E	E
	Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Services Ltd.	Forbes Techno- sys Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Ltd.	Afcons Infra- structure services Ltd.	Forval Inter- national Services Ltd.	Lucrative Prop- erties Private Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	United Motors (India) Private Ltd.	Neuvo Consul- tancy Service Ltd.	Shapoorji Pallonji Bumi Armada Offshore Ltd.	HPCL Shapoorji Energy Private Ltd.
Balances																
1 Trade Payables	-	***	***	-	-	-	-	-	***	-	-	-	-	211.64	-	-
2 Advances received for real estate project	-	-	-	-	-	-	-	-	-	97.71	-	24.37	-	-	-	-
3 Interest accrued on investment	-	-	-	0.68	-	-	-	-	-	-	-	-	-	-	-	-
4 Trade Receivables	9.67	-	-	-	23.52	-	-	5.84	***	-	10.18	-	-	-	-	-
5 Unbilled Revenue (net of advance)	-	-	-	-	-	-	-	-	-	421.17	-	***	-	-	-	-
6 Contractually reimbursable expenses	73.17	-	-	-	124.75	***	***	-	***	-	42.65	-	-	-	-	-
7 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Deposits Payable	-	-	-	-	-	-	-	-	-	-	48.25	-	-	-	-	23.79
9 Deposits Receivable	-	-	-	5.00	-	-	-	-	-	-	-	-	-	-	-	-
10 Guarantees Given	-	-	-	-	17,920.00	***	-	-	-	-	-	-	-	-	2,906.42	-
11 Guarantees Taken	3,247.40	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions																
Purchases / Services																
12 Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	187.28	-	-
13 Sales / Services																
13 Revenue recognised for real estate project	-	-	-	-	-	-	-	-	-	509.27	-	-	501.97	-	-	-
14 Fixed Assets / Investments	0.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses																
15 Rent	-	-	-	6.00	-	-	0.90	-	-	-	-	-	-	-	-	-
16 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	189.42	-	-	-	-	-	-	-
17 Legal and professional charges	-	-	-	-	-	-	49.50	-	-	-	-	-	-	-	-	-
18 Brokerage, commission and other selling expense	88.64	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
																126.91

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

	A	B	B	B	B	B	B	B	C	C	C	C	C	D	E	E
	Shapoorji Pallonji Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Techno- sys Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Volkart Fleming Shipping & Services Ltd.	C	C	C	C	C	Neuvo Consul- tancy Service Ltd.	Shapoorji Pallonji Bumi Armada Offshore Ltd	HPCL Shapoorji Energy Private Ltd.
19	Real estate development expenses	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-
20	Remuneration expenses	3,576.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Miscellaneous expenses	***	18.60	-	46.80	-	-	-	-	-	-	-	-	-	-	-
22	Dividend paid	233.98	-	***	-	-	-	-	-	-	-	-	-	-	-	-
23	Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Rent and amenities	***	-	-	-	54.86	***	-	59.40	***	-	-	-	-	-	95.17
25	Gain on fair value / interest of long-term investments in a subsidiary company	-	-	-	-	-	86.78	-	-	-	-	-	-	-	-	-
26	Profit on sale / Rev. of Dim in the value of Assets / Sale of Guarantee Commission (including Notional Income recognised)	0.50	-	-	-	***	-	-	-	-	-	-	-	-	-	-
27	Miscellaneous Income	***	-	-	-	75.65	***	-	-	-	-	-	-	-	-	-
28	Income	***	-	-	***	140.17	***	***	-	-	-	-	-	-	-	-
29	Other Receipts / Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Other Reim- bursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	(Receipt) Other Reim- bursements	12.00	-	-	***	***	-	39.50	23.59	***	-	-	-	-	-	-
32	(Payment)	-	-	-	-	-	-	-	-	-	-	-	-	109.62	-	-
33	Finance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
34	Deposit Given	-	3.00	-	-	2.00	2.00	-	-	-	-	-	-	-	-	-
35	Repayment of Deposits Given	-	3.00	-	-	2.00	2.00	-	-	-	-	-	-	-	-	-
36	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Advances received from customer	-	-	-	-	1,000.00	-	-	-	-	-	-	-	-	-	-
38	Guarantees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
39	Given on behalf of a Subsidiary	-	-	-	-	3,500.00	***	-	-	-	-	-	-	-	-	-
40	Guarantee Returned	-	-	-	-	2,500.00	-	-	-	-	-	-	-	-	-	-
41	Returned	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	1,110.26	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
43	185.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Company.



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

Parties in F :

Key Managerial Personnel Remuneration

Particulars	₹ in Lakhs	
	31st March, 2018	31st March, 2017
Short-term employee benefits	191.89	117.38
Post-employment benefits	4.44	9.27
Long-term employee benefits	7.00	0.95
	203.33	127.60

Directors Sitting Fees:

Name	31st March, 2018	31st March, 2017
T. R. Doongaji	-	2.00
Kaiwan D. Kalyaniwalla	6.00	9.50
D. Sivanandhan	6.50	8.50
Aslesha Gowariker	3.00	3.50
Kannan Dasaratharaman	-	1.00
Shapoor P. Mistry	1.00	1.00
S. L. Goklaney	-	1.00
Jimmy J. Parakh	-	1.00
Jai L. Mavani	3.00	5.00
Total	19.50	32.50

Parties in G

Contribution to Post Employment Benefit Plan:

Particulars	31st March, 2018	31st March, 2017
Forbes & Company Ltd. Employees Provident Fund	84.52	82.01
	84.52	82.01

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

40. Related party disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
Balances							
1	Trade Payables	793.26	106.65	4.61	275.34	-	1,179.86
2	Interest accrued on investment	-	0.68	-	-	-	0.68
3	Trade Receivables	1.59	223.71	23.63	-	-	248.93
4	Unbilled Revenue (net of advance)	-	-	620.08	-	-	620.08
5	Contractually reimbursable expenses	0.45	700.82	90.14	-	7.56	798.97
6	Provision for Doubtful Trade Receivables	-	-	7.81	-	-	7.81
7	Deposits Payable	-	-	48.25	-	23.79	72.04
8	Deposits Receivable	-	5.00	-	-	-	5.00
9	Guarantees Given	-	16,920.00	-	-	2,899.89	19,819.89
10	Guarantees Taken	3,240.10	-	-	-	-	3,240.10
Transactions							
Purchases / Services							
11	Goods and Materials	-	1.63	-	-	-	1.63
12	Fixed Assets	42.36	-	-	-	-	42.36
Sales / Services							
13	Revenue recognised for real estate project	-	-	1,210.64	-	-	1,210.64
14	Goods and Materials	-	1.88	-	-	-	1.88
15	Services Rendered	-	7.15	-	-	-	7.15
16	Fixed Assets / Investments	2.85	-	1,250.03	-	-	1,252.88
Expenses							
17	Rent	-	8.60	-	-	-	8.60
18	Travelling and conveyance expenses	-	0.66	131.51	-	-	132.17
19	Legal and professional charges	17.73	99.00	-	210.51	-	327.24
20	Transportation, freight, handling and other charges	-	10.64	-	-	-	10.64
21	Real estate development expenses	2,318.61	-	-	150.15	-	2,468.76
22	Provision for doubtful loans and advances / Trade receivable	-	-	7.81	-	-	7.81
23	Trade receivables / advances written off / Loss on Capital reduction	-	1,931.50	-	-	-	1,931.50
24	Remuneration	-	-	-	-	127.60	127.60
25	Miscellaneous expenses	-	67.02	0.20	-	32.50	99.72
Income							
26	Rent and amenities	16.44	54.86	175.60	-	95.28	342.17
27	Gain on fair value / interest of long-term investments in a subsidiary company	-	170.50	69.45	-	-	239.95
28	Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets	2.71	2,380.00	750.02	-	-	3,132.73
29	Guarantee Commission (including Notional Income recognised)	-	59.22	11.77	-	-	70.99
30	Miscellaneous Income	-	199.71	0.00*	-	-	199.71
Other Receipts / Payments							
31	Other Reimbursements (Receipt)	-	104.44	24.36	114.26	7.20	250.26
Finance							
32	Deposit Given	-	1.00	-	-	1.00	2.00
33	Repayment of Deposits Given	-	501.00	-	-	1.00	502.00
34	Purchase / Subscriptions to Investments	-	1,804.42	-	-	-	1,804.42
35	Advances received from customer	-	-	590.56	-	-	590.56
Guarantees							
36	Given on behalf of a Subsidiary	-	2,500.00	-	-	-	2,500.00
37	Guarantee Returned	-	2,500.00	-	-	-	2,500.00

* Amounts are below the rounding off norms of the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

40. Related party disclosures (contd.)

Previous Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	A	B	B	B	B	B	B	B	B	C	C	C	C	D	E	E			
	Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Aqua-mall Water Solutions Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technology Ltd.	Forbes Container Lines Plc. Ltd.	Shapoorji Pallonji Shipping Limited	Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.	Forval International Services Ltd.	Shapoorji Palloji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	United Motors (India) Private Ltd.	Neuvo Consultancy Service Ltd.	Forbes Bumi Armada Offshore Ltd.	HPCL Shapoorji Energy Private Ltd.	
Balances																			
1 Trade Payables	793.26	****	-	****	-	-	-	****	-	-	-	-	-	275.34	-	-	-	-	-
2 Interest accrued on investment	-	-	-	-	0.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3 Trade Receivables	****	-	-	-	-	-	224.78	-	****	****	****	****	****	-	-	-	-	-	-
4 Unbilled Revenue (net of advance)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	620.08	-	-	-	-
5 Contractually reimbursable expenses	****	-	-	-	-	-	700.73	-	-	-	-	-	-	-	-	-	****	-	-
6 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-	48.25	-	-	-	-	-	23.79
8 Deposits Receivable	-	-	-	-	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Guarantees Given	-	-	-	-	-	-	16,920.00	-	-	-	-	-	-	-	-	-	-	-	2,899.89
10 Guarantees Taken	3,240.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions / Purchases / Services																			
11 Goods and Materials	-	1.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Fixed Assets	42.36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Sales / Services Revenue recognised for real estate project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,210.64	-	-	-	-
14 Goods and Materials Services Rendered	-	-	1.88	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	7.15	-	-	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

	A	B	B	B	B	B	B	B	B	B	C	C	C	C	D	E	E	
	Shapoorji Pallonji Company Private Ltd.	Eureka Forbes Ltd.	Aqua- mall Water Solu- tions Ltd.	Forbes Facility Services Private Ltd.	Forbes Camp- bell Finance Ltd.	Forbes Camp- bell Services Ltd.	Forbes Technosys Ltd.	Forbes Con- tainer Lines Pte. Ltd.	Shapoorji Pallonji Shipping Limited	Volkart Fleming Ship- ping & Services Ltd.	Afcons Infra- struc- ture Ltd.	Forvol Inter- national Services Ltd.	Shapoor- ji Pal- lonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	United Motors (India) Private Ltd.	Neuvo Consul- tancy Service Ltd.	Forbes Bumi Armada Offshore Ltd	HPCL Shapoorji Energy Private Ltd.
16	Fixed Assets / Investments	****	-	-	-	-	-	-	-	-	-	-	1,250.03	-	-	-	-	-
17	Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18	Rent	-	-	-	4.80	-	-	-	-	3.80	-	-	-	-	-	-	-	-
19	Travelling and conveyance expenses	-	***	-	-	-	-	-	-	-	131.51	-	-	-	-	-	-	-
20	Legal and professional charges	-	-	-	-	-	-	-	-	99.00	-	-	-	-	-	210.51	-	-
21	Transportation, freight, handling and other charges	-	-	-	-	-	-	10.64	-	-	-	-	-	-	-	-	-	-
22	Real estate development expenses	2,318.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Provision for doubtful loans and advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Trade receivables / advances written off	-	-	-	-	-	-	-	-	-	-	-	-	7.81	-	-	-	-
25	Capital reduction	-	-	-	-	-	-	1,931.50	-	-	-	-	-	-	-	-	-	-
26	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Miscellaneous expenses	-	***	-	19.97	47.04	-	-	-	-	-	-	-	-	-	-	-	95.17
28	Income	-	-	-	-	-	54.86	-	-	-	59.40	***	96.50	-	-	-	***	-
	Rent and amenities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Gain on fair value / interest of long-term investments in a subsidiary company	-	-	-	34.51	-	58.50	-	77.48	-	-	-	69.45	-	-	-	-	-
	Profit on sale / Rev. of Dim in the value of Invests / Sale of Assets	***	-	-	-	-	-	2,380.00	-	-	-	-	750.02	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

	A	B	B	B	B	B	B	B	B	C	C	C	C	D	E	E		
	Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Aqua-mall Water Solutions Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technologies Ltd.	Forbes Container Lines Pte. Ltd.	Shapoorji Pallonji Shipping Limited	Volkart Fleming Shipping Services Ltd.	Afcons Infrastructure Ltd.	Forol International Services Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	United Motors (India) Private Ltd.	Neuvo Consultancy Service Ltd.	Forbes Bumi Armada Offshore Ltd	HPCL Shapoorji Energy Private Ltd.
29	Guarantee Commission (including Notional Income recognised)	-	-	-	59.22	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Miscellaneous Income	***	-	***	182.08	***	***	***	***	***	-	11.77	-	-	-	-	-	-
31	Other Receipts / Payments Other Reimbursements (Receipt)	-	-	-	-	-	-	-	91.43	***	***	-	-	114.26	-	-	***	-
32	Finance Deposit Given	-	-	-	-	-	-	-	1.00	-	-	-	-	-	-	-	1.00	-
33	Repayment of Deposits Given	-	-	-	-	-	500.00	-	***	-	-	-	-	-	-	-	***	-
34	Purchase / Subscriptions to Investments	-	-	-	-	-	1,804.42	-	-	-	-	-	-	-	-	-	-	-
35	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-	-	590.56	-	-	-
36	Guarantees Given on behalf of a Subsidiary	-	-	-	-	-	2,500.00	-	-	-	-	-	-	-	-	-	-	-
37	Guarantee Returned	-	-	-	-	-	2,500.00	-	-	-	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued
41. Discontinuing operations

In January 2016, the Board had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Company also executed an Agreement to transfer assets dated 18th April, 2016 pertaining to its Logistics business and simultaneously completed the transaction. The Company has completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit for the year ended 31st March, 2017 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business amounting to ₹ 5,459.26 Lakhs and ₹ 331.01 Lakhs respectively. The same has been considered in profit of discontinued operations in the Statement of Profit and Loss for the year ended 31st March, 2017.

The following table summarises the financial information relating to discontinuing operation of “Shipping & Logistics” segment in accordance with the Ind AS 105 on “Discontinuing Operations”.

₹ in Lakhs

Particulars	Continuing Operations		Discontinuing Operations		Total Operations	
	Year ended 31st March		Year ended 31st March		Year ended 31st March	
	2018	2017	2018	2017	2018	2017
Assets						
Non-current assets	33,608.00	32,026.07	-	-	33,608.00	32,026.07
Current assets	20,286.84	17,875.37	-	-	20,286.84	17,875.37
Total assets	53,894.84	49,901.44	-	-	53,894.84	49,901.44
Liabilities						
Non-current liabilities	9,897.91	11,751.89	-	-	9,897.91	11,751.89
Current liabilities	16,141.18	13,998.43	-	-	16,141.18	13,998.43
Total liabilities	26,039.09	25,750.32	-	-	26,039.09	25,750.32
Revenue and expenses						
Revenue						
Revenue from operations	29,781.14	28,346.97	-	806.07	29,781.14	29,153.04
Other income	716.75	1,370.87	-	14.88	716.75	1,385.75
Total revenue	30,497.89	29,717.84	-	820.95	30,497.89	30,538.79
Expenses						
Real estate development costs	6,404.34	8,820.61	-	-	6,404.34	8,820.61
Cost of materials consumed	6,792.46	5,903.38	-	-	6,792.46	5,903.38
Excise duty	410.87	1,715.24	-	-	410.87	1,715.24
Purchases of stock-in-trade	16.36	33.55	-	-	16.36	33.55
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(778.86)	(3,357.94)	-	-	(778.86)	(3,357.94)
Employee benefits expenses	4,260.01	4,409.91	-	276.18	4,260.01	4,686.09
Finance costs	1,172.79	1,235.11	-	0.03	1,172.79	1,235.14
Depreciation and amortisation expense	795.87	597.63	-	1.64	795.87	599.27
Other expenses	6,817.08	7,016.88	-	1,155.39	6,817.08	8,172.27
Total expenses	25,890.92	26,374.37	-	1,433.24	25,890.92	27,807.61
Profit / (Loss) before exceptional items and tax	4,606.97	3,343.47	-	(612.29)	4,606.97	2,731.18
Profit on sale of investment	-	750.01	-	-	-	750.01
Termination benefits and one time settlement with employees (Provision)/Reversal for impairment in the value of investments	-	(78.09)	-	-	-	(78.09)
Loss on Capital Reduction of investment in equity shares of subsidiary	-	2,380.00	-	-	-	2,380.00
Loss on Capital Reduction of investment in equity shares of subsidiary	-	(1,931.50)	-	-	-	(1,931.50)
Profit / (Loss) before tax	4,606.97	4,463.89	-	(612.29)	4,606.97	3,851.60
Tax (credit) /expense	516.96	(501.95)	-	-	516.96	(501.95)
Profit / (loss) after tax	4,090.01	4,965.84	-	(612.29)	4,090.01	4,353.55
Gain /(Loss) on disposal of operation	-	-	-	5,438.06	-	5,438.06
Attributable income tax expense	-	-	-	130.48	-	130.48
Net profit after tax	4,090.01	4,965.84	-	4,695.29	4,090.01	9,661.13
Cash Flow						
Cash flows (used in) / from operating activities	2,672.20	(2,974.93)	-	(1,484.10)	2,672.20	(4,459.03)
Cash flows from / (used in) investing activities	(2,511.87)	8,668.15	-	9,254.30	(2,511.87)	17,922.45
Cash flows (used in)/from financing activities	351.10	(5,395.27)	-	(7,845.73)	351.10	(13,241.00)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued**42. Segment reporting**

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level. The "Shipping and logistics services" segment has been discontinued in the previous year.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

(a) Information about reportable segments for the year:

₹ in Lakhs

Particulars	Continued Operations						Discontinuing Operations		Elimination		Total Operations	
	Engineering		Real estate		Total		Shipping and logistics services		Elimination		Total	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Segment Revenue	18,596.85	17,362.72	11,184.29	10,984.25	29,781.14	28,346.97	-	806.07	-	-	-	-
Inter segment revenue	-	-	2.46	34.04	2.46	34.04	-	-	(2.46)	(34.04)	-	-
Revenue from operations	18,596.85	17,362.72	11,186.75	11,018.29	29,783.60	28,381.01	-	806.07	(2.46)	(34.04)	29,781.14	29,153.04
Segment Results	2,341.78	1,802.81	4,562.66	5,279.92	6,904.44	7,082.73	-	(965.65)	-	-	6,904.44	6,117.08
Exceptional items allocated to segments	-	-	-	-	-	-	-	5,790.27	-	-	-	5,790.27
Segment Results - after exceptional items	2,341.78	1,802.81	4,562.66	5,279.92	6,904.44	7,082.73	-	4,824.62	-	-	6,904.44	11,907.35
Add: Unallocated income											619.48	1,426.54
Add/Less: Unallocated expenses											(1,744.16)	2,610.77
Add/Less: Exceptional items other than related to segments (net)											-	(5,419.86)
Profit before tax and finance costs											5,779.76	10,524.80
Less: Finance costs											1,172.79	1,235.14
Profit before tax											4,606.97	9,289.66
Provision for taxation:												
Current tax expense											1,050.00	1,200.00
Deferred tax											(533.04)	(1,571.47)
Profit after tax											4,090.01	9,661.13
Capital employed												
Segment assets	11,967.94	10,537.11	13,788.87	11,852.58			-	60.86			25,756.81	22,450.55
Unallocated corporate assets											28,138.03	27,450.89
Total assets											53,894.84	49,901.44
Segment liabilities	4,394.88	3,806.02	8,495.35	6,845.93			-	170.62			12,890.23	10,822.57
Unallocated corporate liabilities											13,148.84	14,859.06
Total liabilities											26,039.07	25,681.63
Capital employed	7,573.06	6,731.09	5,293.52	5,006.65			-	(109.76)			27,855.77	24,219.81
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	1,248.42	1,392.60	73.64	80.50			-	30.02			1,322.06	1,503.12
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress											118.02	24.07
Total capital expenditure (including investment properties)											1,440.08	1,527.19
Segment depreciation / amortisation	531.48	435.27	227.15	109.03			-	1.64			758.63	545.94
Unallocated corporate depreciation / amortisation											37.24	53.33
Total depreciation / amortisation											795.87	599.27
Non-cash segment expenses other than depreciation	12.24	86.99	2.47	-			-	3.49			14.71	90.48
Unallocated non-cash expenses other than depreciation											2.18	900.00
Total non-cash expenses other than depreciation											16.89	990.48

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

(b) Information about geographical segment for the year

	Within india		Outside india		Unallocated		Total	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Revenue	27,063.92	26,510.00	2,717.22	2,643.04	-	-	29,781.14	29,153.04
Total Assets	25,756.81	22,450.55	-	-	28,138.03	27,450.89	53,894.84	49,901.44
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	1,322.06	1,503.12	-	-	118.02	24.07	1,440.08	1,527.19

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2018 and 31st March, 2017.

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

S. No.	Name		Balance as at 31st Mar., 2018	Maximum amount outstanding during the year	₹ in Lakhs	
					No. of shares of the Company held by the loanees as at 31st Mar., 2018	
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:					
1.	Svadeshi Mills Company Limited (carrying no interest)	◆	4,391.78	4,391.78		-
		◆	4,391.78	4,391.78		-
2.	Edumetry INC (carrying no interest)	◆	72.53	72.53		-
		◆	72.53	72.53		-
3.	Forbes Container Lines Pte. Limited (carrying no interest)	◆	302.47	302.47		-
		◆	302.47	302.47		-

Note:◆ Provided as doubtful

The above excludes loans to employees.

Figures in italics are in respect of the previous years.

44. Svadeshi Mills is not considered as a related party of the Company as per Note 3.1.1. Secured Loans include interest free loans, relating to which full provision exists in books of accounts, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2018 (31st March, 2017 ₹ 4,391.78 Lakhs) granted to The Svadeshi Mills Company Limited. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

45. 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.

	₹ in Lakhs	
	2017-18	2016-17
Project revenue recognised during the year	9,516.53	9,420.03
Aggregate of Project costs incurred upto the reporting date	11,163.27	5,540.48
Profit recognised upto the reporting date	7,000.86	3,722.86
Advance received for projects in progress as at the reporting date (net of revenue recognised)	185.45	143.52
Amount of work-in-progress and the value of inventories as at the reporting date	5,586.14	4,804.58
Unbilled Revenue	4,544.71	3,095.57

(Unbilled revenue represents future instalments receivables from customers based on revenue recognised till Balance Sheet date)

46. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

₹ in Lakhs

Name	During the year		Closing balance	Period	Rate of Interest (%)	Purpose
	Given	Returned				
A Investments made (refer Note 8)	1,000.00	-				General corporate purpose
B Loans given						
1 Svadeshi Mills Company Limited	-	-	4,391.78 *	N.A.	N.A.	General corporate purpose
	-	-	4,391.78 *	N.A.	N.A.	
2 Edumetry Inc. USA	-	-	72.53 *	N.A.	N.A.	General corporate purpose
	-	-	72.53 *	N.A.	N.A.	
3 Forbes Container Lines Pte Limited	-	-	302.47 *	On Demand	12%	General corporate purpose
	-	-	302.47 *	On Demand	12%	
C Guarantees given						
1 Shapoorji Pallonji Bumi Armada Offshore Limited	-	-	2,906.42	N.A.	N.A.	N.A.
	-	-	2,899.89	N.A.	N.A.	N.A.
2 Forbes Technosys Limited	-	-	4,420.00	Continuing	N.A.	Working Capital
	-	-	4,420.00	Continuing	N.A.	
	3,500.00	2,500.00	13,500.00	3 years	N.A.	General corporate purpose
	2,500.00	2,500.00	12,500.00	3 years	N.A.	
3 Shapoorji Pallonji Forbes Shipping Limited	350.39	-	350.39	1 year	N.A.	General corporate purpose

Note:

* Provided as doubtful

@ Guarantee given \$ 44,75,000 (Previous year \$ 44,75,000).

Figures in italics are in respect of the previous years.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

47. Details of Cash Transactions for the period from 08.11.2016 to 30.12.2016

₹ in Lakhs

Particulars	Specified Bank Notes	Other Denomination notes	Total
Closing cash in hand as on 08.11.2016	6.17	6.97	13.14
(+) Permitted receipts	-	12.89	12.89
(-) Permitted payments	-	(11.92)	(11.92)
(-) Amount deposited in Banks	(6.17)	-	(6.17)
Closing cash in hand as on 30.12.2016	-	7.94	7.94

48. Net debt reconciliation

₹ in Lakhs

	As at 31st Mar., 2018	As at 31st Mar., 2017
Short Term Borrowings	(6,890.84)	(4,920.09)
Long Term Borrowings	(8,208.22)	(9,998.63)
Current Maturities of Long Term Borrowings	(1,770.85)	(68.70)
Total debt	(16,869.91)	(14,987.42)
Cash and Cash equivalents	2,168.21	1,657.06
Net debt	(14,701.70)	(13,330.36)

₹ in Lakhs

	Other assets	Liabilities from Financing Activities		Total
		Cash and cash equivalents	Long term borrowing including current maturity	
Net debt as at 1st April, 2017	1,657.06	(10,067.33)	(4,920.09)	(13,330.36)
Cash flows	511.15	103.77	(1,970.75)	(1,355.83)
Interest expense		(971.00)	(552.93)	(1,523.93)
Interest paid		955.49	552.93	1,508.42
Net debt as at 31st March, 2018	<u>2,168.21</u>	<u>(9,979.07)</u>	<u>(6,890.84)</u>	<u>(14,701.70)</u>

49. Offsetting financial assets and financial liabilities

₹ in Lakhs

	Gross amounts (Financial Assets -Trade Receivables)	Gross amounts set off in the Balance Sheet (Financial Liabilities - Rebates/ Discounts)	Net amounts presented in Balance Sheet (Net Financial Assets - Trade Receivables)
31st March, 2018	5,040.50	314.36	4,726.14
Total	<u>5,040.50</u>	<u>314.36</u>	<u>4,726.14</u>
31st March, 2017	5,080.26	288.20	4,792.07
Total	<u>5,080.26</u>	<u>288.20</u>	<u>4,792.07</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - Continued

50. The real estate development operations under “Project Vicinia” being executed at a plot of land in the city of Mumbai at Chandivali have been agreed between Forbes and another Company as per the terms of settlement filed with the Honourable Bombay High Court in 2011 for the then existing dispute. Each Company is now independently entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index and also for their own individual development and consequent sale of their respective individual flats for the specified land being developed.
51. As per Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from Operations for the period July 1, 2017 to March 31, 2018 does not include Goods and Service Tax (GST), however Revenue from Operations till the period ended June 30, 2017 and for the year ended March 31, 2017 includes Excise Duty. In view of the aforesaid restructuring of indirect taxes, Revenue from Operations for the year ended March 31, 2018 are not comparable with previous year.
52. The Board of Directors of the Company has recommended a dividend of ₹ 2.50 (25%) per equity share for the year ended 31st March, 2018. There is no other material subsequent event occurred after Balance Sheet date.
53. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
54. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 28th May, 2018.

Signature to Notes 1 to 54

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016

Chartered Accountants

Sarah George

Partner

Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai

Date: 28th May, 2018

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI
Managing Director

DIN : 1423084

JAI L. MAVANI
Director

DIN : 05260191

Place: Mumbai

Date: 28th May, 2018

**CONSOLIDATED FINANCIAL STATEMENTS
FORMING PART OF ANNUAL REPORT OF
FORBES & COMPANY LIMITED FOR THE
YEAR ENDED 31ST MARCH, 2018**

INDEPENDENT AUDITORS' REPORT

To the Members of Forbes & Company Limited

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS 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 joint ventures and associate companies; (refer Note 2.2 to the attached consolidated Ind AS financial statements), comprising of the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement for the year then ended and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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, consolidated cash flows and changes in equity of the Group including its associates and joint ventures in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint ventures and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and associates respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.
6. 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 sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 joint ventures and associates at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated loss and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Material Uncertainty related to Going Concern

8. The audit report on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company, issued by an independent firm of Chartered Accountants vide its report dated May 3, 2018 contains the following remark, which is reproduced by us as under:

“We draw attention to Note 33 which indicates that, the Company has incurred a net loss of ₹ 1,240.46 Lakhs during the current year and, the Company’s current liabilities exceeded its current assets by ₹ 1,860.00 Lakhs as at March 31, 2018. The Company has accumulated losses of ₹ 8,222.23 Lakhs and its net worth has been substantially eroded as at March 31, 2018. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.”

Our opinion is not modified in respect of this matter.

Other Matters

9. We did not audit the financial statements of 31 subsidiaries whose financial statements reflect total assets of ₹ 251,360.13 Lakhs and net assets of ₹ 43,204.98 Lakhs as at March 31, 2018, total revenue of ₹ 255,928.83 Lakhs, total comprehensive income (comprising of net loss and other comprehensive income) of ₹ (-)2,644.77 Lakhs and net cash outflows amounting to ₹ 8,735.16 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The Consolidated Ind AS financial statements also include Group’s share of total comprehensive income (comprising of net profit and other comprehensive income) of ₹ 940.68 Lakhs and ₹ Nil Lakhs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of 7 joint ventures and 2 associate companies, respectively whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries, joint ventures and associates companies, is based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

10. The consolidated Ind AS financial statements of the Group, its joint ventures and associate companies for the year ended March 31, 2017, were audited by another firm of Chartered

Accountants under the Companies Act, 2013 who, vide their report dated May 25, 2017, expressed a qualified opinion on those financial statements in respect of an Indian subsidiary, namely, Eureka Forbes Limited (“EFL”), whose the consolidated Ind AS financial statements have been audited by other auditors, where the other auditors have qualified their opinion stating that certain trade receivables aggregating ₹ 5,031.94 Lakhs have been excluded for the purpose of determining loss allowance as required under Ind AS 109 - Financial Instruments.

The auditors of EFL have, for the year ended March 31, 2018, issued an unmodified opinion on the financial statements of EFL in respect of aforesaid matter.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- 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 Ind AS financial statements.
 - In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, joint ventures and associate companies incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, joint ventures and associate companies incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint ventures and associate companies incorporated in India, none of the directors of the Group, joint ventures and associates companies incorporated in India are disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, joint ventures and associate companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group, its associates and joint ventures – Refer Note 21A and 40 to the consolidated Ind AS financial statements.
 - ii. The Group, its joint ventures and associates companies had long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Group, its joint ventures and associates companies did not have any long-term derivative contracts as at March 31, 2018.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, including in the Group, its joint ventures and associate companies incorporated in India during the year ended March 31, 2018.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: May 28, 2018

**Annexure A to Independent Auditors' Report
Referred to in paragraph 11(f) of the Independent Auditors'
Report of even date to the members of Forbes & Company
Limited on the Consolidated Ind AS financial statements for the
year ended March 31, 2018**

**Report on the Internal Financial Controls under Clause (i) of
Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company for the year ended March 31, 2018, we have audited the internal financial controls with reference to financial statements of Forbes & Company Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its joint ventures and associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its joint ventures and associate companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial

statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its joint venture companies and associate companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 11 subsidiary companies, 6 joint venture companies and 1 associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016
Chartered Accountants

Sarah George
Partner

Membership Number: 045255

Place: Mumbai
Date: May 28, 2018

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2018

Particulars	Note No.	₹ in Lakhs	As at 31st Mar., 2018 ₹ in Lakhs	As at 31st Mar., 2017 ₹ in Lakhs
ASSETS				
1 Non-current assets				
Property, Plant and Equipment	5		60,107.67	52,152.01
Capital work-in-progress			105.73	249.93
Investment Properties	6		2,547.91	2,510.52
Goodwill	7		47,742.19	43,935.01
Other Intangible assets	8		3,542.68	4,969.42
Intangible assets under development			9,339.66	7,167.39
Financial Assets:				
i) Investments				
a) Investments in associates	9A	-		-
b) Investments in joint ventures	9B	7,676.73		6,716.78
c) Other Investments	9C	333.96		543.24
			8,010.69	7,260.02
ii) Trade receivables	10A		4,384.13	4,093.92
iii) Loans	11A		3,304.96	2,800.96
iv) Other financial assets	12A		1,495.16	1,395.83
				17,194.94
				15,550.73
Tax assets				
i) Deferred tax assets (net)	22A		2,615.04	2,369.37
ii) Income tax assets (net)	26		6,987.85	7,809.00
			9,602.89	10,178.37
Other non-current assets	15A		4,119.74	3,090.64
Total Non-current assets			1,54,303.41	1,39,804.02
2 Current assets				
Inventories	13		43,610.55	43,785.23
Financial Assets:				
i) Investments	9D		19.39	15.80
ii) Trade receivables	10B		42,102.25	46,292.71
iii) Cash and cash equivalents	14A		13,699.70	19,034.81
iv) Bank balances other than (iii) above	14B		422.33	3,259.22
v) Loans	11B		446.56	464.99
vi) Other financial assets	12B		6,778.18	6,114.63
			63,468.41	75,182.16
Other current assets	15B		14,912.34	11,997.97
			78,380.75	87,180.13
Assets classified as held for sale	16		1.98	204.73
Total Current assets			1,21,993.28	1,31,170.09
Total Assets			2,76,296.69	2,70,974.11

Particulars	Note No.	₹ in Lakhs	As at 31st Mar., 2018 ₹ in Lakhs	As at 31st Mar., 2017 ₹ in Lakhs
EQUITY AND LIABILITIES				
Equity				
Equity share capital	17	1,289.86		1,289.86
Other equity	18	30,291.07		30,104.90
Equity attributable to owners of the Company			31,580.93	31,394.76
Non-controlling interests	50		11,922.69	13,235.95
Total Equity			43,503.62	44,630.71
Liabilities				
1 Non-current liabilities				
Financial liabilities:				
i) Borrowings	19	73,531.90		77,451.58
ii) Other financial liabilities	20A	561.00		850.05
			74,092.90	78,301.63
Provisions	21A	2,197.60		2,230.17
Deferred tax liabilities (net)	22B	353.53		363.78
Other non-current liabilities	23A	15,441.26		14,060.14
Total Non-current liabilities			92,085.29	94,955.72
2 Current liabilities				
Financial liabilities:				
i) Borrowings	24	29,914.45		29,168.79
ii) Trade payables	25	40,116.44		36,634.41
iii) Other financial liabilities	20B	24,050.35		18,669.55
			94,081.24	84,472.75
Provisions	21B	2,343.50		4,008.70
Current tax liabilities (net)	26	706.07		1,857.85
Other current liabilities	23B	43,576.97		41,048.38
Total Current Liabilities			1,40,707.78	1,31,387.68
Total Liabilities			2,32,793.07	2,26,343.40
Total Equity and Liabilities			2,76,296.69	2,70,974.11

Significant Accounting Policies

2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLPFirm Registration No. 012754N/N500016
Chartered Accountants**Sarah George**

Partner

Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial OfficerPANKAJ KHATTAR
Company Secretary
Membership No : F5300**For and on behalf of the Board of Directors**MAHESH C. TAHILYANI
Managing Director
DIN : 1423084JAI L. MAVANI
Director
DIN : 05260191Place: Mumbai
Date: 28th May, 2018Place: Mumbai
Date: 28th May, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Particulars	Note No.	₹ in Lakhs	Year Ended	Year Ended
			31st Mar., 2018	31st Mar., 2017
			₹ in Lakhs	₹ in Lakhs
I Revenue from operations	27	2,82,808.17		3,02,345.79
II Other income	28	2,967.01		5,154.58
III Total Income (I + II)			2,85,775.18	3,07,500.37
IV Expenses:				
Real estate development costs	29	6,404.34		8,820.61
Cost of materials consumed	30A	67,605.37		72,319.81
Excise duty	51	520.59		2,490.52
Purchases of stock-in-trade		36,668.40		51,302.63
Changes in inventories of finished goods, work-in-progress and stock-in-trade	30B	(1,481.54)		(7,619.74)
Employee benefits expense	31	68,964.05		67,915.73
Finance costs	32	9,555.96		7,440.70
Depreciation, amortisation and impairment expense	33	7,704.57		7,065.63
Other expenses	34	91,185.93		96,470.85
Total expenses (IV)			2,87,127.67	3,06,206.74
V Profit before exceptional items, Share of net profit of investment accounted for using equity method and tax (III - IV)			(1,352.49)	1,293.63
VI Exceptional items - Income / (Expense)	35		-	8,220.74
VII Profit / (Loss) before tax for the year (V + VI)			(1,352.49)	9,514.47
VIII Tax expense:				
(a) Current tax (Pertaining to prior period ₹ 45.64 Lakhs (Previous Year ₹ (-)5.69 Lakhs))	36	3,602.23		3,699.14
(b) Deferred tax (including MAT credit availed of ₹ 612.72 Lakhs (Previous Year ₹ 1,082.17 Lakhs))	36	(793.18)		(1,254.34)
			2,809.05	2,444.80
IX Profit/(Loss) after tax for the year (VII - VIII)			(4,161.54)	7,069.67
X Add: Share of profit of joint ventures			940.66	1,864.80
XI Profit/(Loss) for the year (IX + X)			(3,220.88)	8,934.47
XII Other Comprehensive Income / (Loss)				
A (i) Items that will not be reclassified to Statement of Profit and Loss				
(a) Remeasurement of the defined benefit plans			(35.39)	(194.51)
(b) Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			0.02	(15.25)
(c) Equity instruments through other comprehensive income			99.92	105.24
(d) Income Tax relating to the above items			(44.19)	49.22
			20.36	(55.30)
B (i) Items that may be reclassified to Statement of Profit and Loss				
(a) Exchange differences in translating the financial statements of foreign operations			2,698.64	1,057.10
			2,698.64	1,057.10
Total Other Comprehensive Income			2,719.00	1,001.80
XIII Total Comprehensive Income/ (Loss) for the year (XI + XII)			(501.88)	9,936.27
XIV Profit/ (Loss) for the year attributable to:				
- Owners of the Company			(1,944.27)	8,447.98
- Non-controlling interests			(1,276.61)	486.49
			(3,220.88)	8,934.47
XV Other Comprehensive Income for the year attributable to:				
- Owners of the Company			2,755.65	1,001.80
- Non-controlling interests			(36.65)	-
			2,719.00	1,001.80
XVI Total Comprehensive Income/ (Loss) for the year attributable to:				
- Owners of the Company			811.38	9,449.78
- Non-controlling interests			(1,313.26)	486.49
			(501.88)	9,936.27
XVII Earning per equity share	38			
Basic and diluted earnings per equity share (₹)			(25.30)	70.17
Significant Accounting Policies	2			
The accompanying notes form an integral part of the financial statements				

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 28th May, 2018

For and on behalf of the Board of Directors
MAHESH C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 28th May, 2018

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2018

	Year Ended 31st Mar., 2018 ₹ in Lakhs	Year Ended 31st Mar., 2017 ₹ in Lakhs
Cash flows from operating activities		
Profit/(Loss) for the year	(3,220.88)	8,934.47
Adjustments for -		
Income tax expense recognized in profit and loss	3,602.23	3,699.14
Deferred Tax (income)/expense recognized in profit and loss	(793.18)	(1,254.34)
Depreciation, amortisation and impairment expense	7,704.58	7,065.63
Post acquisition share of profit/(loss) of Joint Venture (using Equity Method)	(940.66)	(1,864.80)
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	(106.63)	(119.20)
ii) Inter-corporate deposits	(39.07)	(35.59)
iii) Customers and others	(67.68)	(70.34)
Interest on Income tax Refund	(46.65)	(69.93)
Finance costs	9,555.96	7,440.70
Dividend Income		
i) from long-term investments	(0.07)	(0.07)
ii) from current investments	(0.49)	(27.62)
Net (Gain)/ Loss on disposal of property, plant and equipment	(298.87)	(190.63)
Provision for doubtful trade receivables	286.89	2,352.11
Provision for doubtful loans and advances	23.68	304.30
Gain on disposal of current investments	(12.30)	(79.79)
Provision for Contingencies	-	900.00
Provision for Warranties	576.89	423.75
Bad trade receivables / advances written off (net)	1,089.63	138.37
Net gain arising on financial assets mandatorily measured at fair value through profit or loss	(206.41)	(4.61)
Credit balances / excess provision written back	(71.93)	(699.64)
Effect of exchange difference on consolidation of Foreign entities	(3,308.36)	1,068.73
Net unrealised exchange loss	4,586.95	(970.85)
	21,534.51	18,005.32
Exceptional items:		
- Profit on slump sale	-	(5,459.26)
- Loss/(profit) on cessation of Joint Ventures	-	397.30
- Profit on sale of logistics business	-	(331.01)
- Gain on cessation of Subsidiary	-	(3,258.07)
	-	(8,651.04)
	21,534.51	9,354.28
Operating profit before working capital changes	18,313.63	18,288.75
Changes in working capital:		
Movements in working capital:		
Decrease in trade and other receivables	2,592.58	4,280.37
Increase/(Decrease) in inventories	175.86	(8,338.59)
Decrease/(Increase) in other loans and advances	(509.25)	506.28
Decrease in other financial assets	(789.76)	(1,716.88)
Increase in other assets	(3,893.09)	(5,206.39)
Increase in trade and other payables	3,494.14	1,958.87
Decrease in other financial liabilities	(553.53)	(469.51)
Decrease in provisions	(2,310.05)	(53.96)
Increase in other liabilities	3,940.37	585.87
	2,147.27	(8,453.94)
Cash generated from operations	20,460.90	9,834.81
Income taxes paid (net of refunds)	(3,393.15)	(3,122.44)
(a) Net cash flow generated from operating activities	17,067.75	6,712.37

	Year Ended 31st Mar., 2018 ₹ in Lakhs	Year Ended 31st Mar., 2017 ₹ in Lakhs	
Cash flows from investing activities:			
Payments for property, plant and equipment (including investment properties and intangible assets)	(16,600.17)	(9,219.21)	
Payments for Long Term Investments	(1,062.01)	-	
Proceeds from disposal of property, plant and equipment (including investment properties and intangible assets)	1,020.70	462.27	
Proceeds from slump sale	-	9,250.63	
Proceeds from sale / surrender of long-term investments			
- in Joint Venture	-	1,250.03	
- in Others	399.19	-	
Purchase of current investments	(13,257.70)	(27,026.27)	
Proceeds from sale of current investments	13,472.81	27,133.41	
Bank balances not considered as cash and cash equivalents	2,836.89	(1,973.10)	
Interest received	240.26	630.00	
Dividend received	0.56	50.34	
(b) Net cash flow generated from/(used in) investing activities	(12,949.47)		558.10
Cash flows from financing activities:			
Proceeds from long-term borrowings	10,857.08	24,893.86	
Repayment of long-term borrowings	(11,411.81)	(23,311.43)	
Proceeds from short-term borrowings	33,890.84	13,126.47	
Repayment of short-term borrowings	(31,920.09)	(12,161.81)	
Net increase/ (decrease) in working capital borrowings	(1,286.90)	5,120.57	
Finance costs paid	(9,137.29)	(9,565.39)	
Expenses on Capital Reduction by subsidiary	-	(2.33)	
Expenses on Issue of Shares by subsidiary	(9.50)	-	
Expenses on Issue of Debentures by subsidiary	(41.30)	-	
Repayment of share of non controlling interest	-	(62.50)	
Dividend paid including taxes	(394.14)	(10.19)	
(c) Net cash flow used in financing activities	(9,453.11)		(1,972.75)
(d) Net increase in cash and cash equivalents (a + b + c)	(5,334.83)		5,297.72
(e) Cash and cash equivalents as at the commencement of the year	19,034.81		13,826.18
(f) Cash and cash equivalents on disposal of subsidiary	-		(89.09)
(g) Effects of exchange rate changes on cash and cash equivalents	(0.28)		-
(h) Cash and cash equivalents as at the end of the year			
(d + e + f + g) (refer Note 14A)	13,699.70		19,034.81

Notes:

- Cash flows are reported using the indirect method set out in Ind AS 7 Statement of Cash Flows, whereby Profit / (Loss) is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated according to their nature.
- Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George

Partner

Membership Number: 045255

NIRMAL JAGAWAT

Chief Financial Officer

PANKAJ KHATTAR

Company Secretary

Membership No : F5300

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI

Managing Director

DIN : 1423084

JAI L. MAVANI

Director

DIN : 05260191

Place: Mumbai

Date: 28th May, 2018

Place: Mumbai

Date: 28th May, 2018

Statement of changes in equity for the year ended 31st March, 2018

₹ in Lakhs

a. Equity share capital	Amount
Balance at 31st Mar., 2016	1,289.86
Changes in equity share capital during the year	-
Balance at 31st Mar., 2017	1,289.86
Changes in equity share capital during the year	-
Balance at 31st Mar., 2018	1,289.86

b. Other equity	Reserves and surplus										Items of other comprehensive income					Non-controlling interests	Total	
	Equity component of compound financial instruments	Treasury Shares	Capital reserve	Capital reserve on merger *	Capital contribution reserve	Securities premium reserve	Tonnage tax reserve	Debt redemption reserve	General reserve	Capital reserve for bargain purchase business combinations	Retained earnings	Sub-total	Equity instrument through other comprehensive income	Foreign currency translation reserve	Sub-total			Attributable to owners of the parent
Balance at 31st March, 2016	894.42	(32.55)	188.25	-	493.54	161.76	188.38	2,500.00	42,594.28	1,221.43	(27,706.65)	19,640.99	(101.39)	206.59	105.20	20,608.06	12,796.33	33,404.39
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	8,447.98	8,447.98	-	-	-	8,447.98	486.49	8,934.47
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	(143.04)	8,304.94	8,304.94	87.74	1,057.10	1,144.84	1,001.80	-	1,001.80
Disposal/Reduction of partial interest in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from/to retained earnings	-	-	-	-	-	-	32.75	-	-	-	(32.75)	-	-	-	-	-	-	-
Expenses related to capital reduction by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	59.53	59.53	59.53	(39.87)	19.66
Tax on dividends	-	-	-	-	-	-	-	-	-	-	(2.28)	(2.28)	-	-	-	(2.28)	(7.00)	(9.28)
Balance at 31st March, 2017	894.42	(32.55)	188.25	-	493.54	161.76	221.13	2,500.00	42,594.28	1,221.43	(19,446.93)	27,933.46	(13.65)	1,323.22	1,309.57	30,104.90	13,235.95	43,340.85
Profit for the year	-	-	-	-	-	-	-	-	-	-	(1,944.27)	(1,944.27)	-	-	-	(1,944.27)	(1,276.61)	(3,220.88)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	-	(25.25)	(25.25)	45.61	2,735.29	2,780.90	2,755.65	(36.65)	2,719.00
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	(1,969.52)	(1,969.52)	45.61	2,735.29	2,780.90	811.38	(1,313.26)	(501.88)

b. Other equity	Equity component of compound financial instruments	Treasury Shares	Reserves and surplus					Items of other comprehensive income					Non-controlling interests	Attributable to owners of the parent	Total		
			Capital reserve	Capital reserve on merger*	Capital contribution reserve	Securities premium reserve	Tonnage tax reserve	Debenture redemption reserve	General reserve	Capital reserve for bargain purchase combinations	Retained earnings	Sub-total				Equity instrument through other comprehensive income	Foreign currency translation reserve
Exchange difference on translation of foreign operations arising during the year	-	-	-	-	-	-	-	(109.14)	-	-	-	-	-	-	(109.14)	-	(109.14)
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustment on account of increase in capital	-	-	-	-	-	-	-	(82.43)	-	-	-	-	-	-	(82.43)	-	(82.43)
Utilised on sale of related capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(30.00)	-	(30.00)
Transfer (from)/ to retained earnings	-	-	-	-	(221.13)	-	-	-	221.13	-	-	-	-	-	-	-	-
Cumulative gain/(loss) reclassified to retained earning	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
on sale of Equity Instruments	-	-	-	-	-	-	-	55.06	55.06	-	(55.06)	-	-	(55.06)	-	-	-
through FYOCI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses related to issue of shares by a subsidiary	-	-	-	-	-	-	-	(9.50)	(9.50)	-	-	-	-	-	(9.50)	-	(9.50)
Payment of dividends on equity shares	-	-	-	-	-	-	-	(318.31)	(318.31)	-	-	-	-	-	(318.31)	-	(318.31)
Tax on Intra group dividends	-	-	-	-	-	-	-	(75.83)	(75.83)	-	-	-	-	-	(75.83)	-	(75.83)
Balance at 31st March, 2018	894.42	(32.55)	158.25	493.54	161.76	2,500.00	42,594.28	1,221.43	(21,735.47)	25,393.79	(23.10)	4,058.51	4,035.41	30,291.07	11,922.69	42,213.76	

* Amount is below the rounding off norm adopted by the Group.

Significant Accounting Policies 2
The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For: Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 28th May, 2018

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI
Managing Director
DIN : 1423084

JAIL. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 28th May, 2018

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

1. CORPORATE INFORMATION

Forbes & Company Limited (“the Company”) is one of the oldest companies of the world that is still in existence. The Company traces its origin to the year 1767 when John Forbes of Aberdeenshire, Scotland started his business in India. Over the years, the Management of the Company moved from the Forbes Family to the Campbells to the Tata Group and now finally to the well known Shapoorji Pallonji Group. Its parent and ultimate holding company is Shapoorji Pallonji and Company Private Limited. The principal activities of the Company and its subsidiaries includes Health, Hygiene, Safety Products and its services, Engineering, Real estate, IT Enabled Services and Products and Shipping and Logistics Services. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES:**2.1 Statement of Compliance with Ind AS**

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

2.2 Basis of Preparation and Presentation of Consolidated Financial Statements

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

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

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

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

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

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

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

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

New standards and interpretations effective as from 1st April 2017:

Amendment to Ind AS 7, Statement of Cash Flows vide Companies (Indian Accounting Standards) (Amendment) Rules, 2017

Ministry of Corporate Affairs vide notification dated 17 March 2017 introduced narrow scope amendments including additional disclosures to Statement of Cash Flows that will enable the users of financial statements to evaluate changes in liabilities arising from financing activities. This includes changes arising from :

- cash flows, such as drawdowns and repayments of borrowings; and
- non-cash changes, such as acquisitions, disposals and unrealised exchange differences.

The amendments to Ind AS 7 require disclosure of changes in liabilities arising from financing activities.

The adoption of this standard did not have a significant impact on the financial statement.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in existing subsidiaries :

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as transactions with equity owners of the Group. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group and fair value of any asset/liability resulting from contingent consideration arrangement in exchange of control of the acquire. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquire are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date ; and

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

- 2.5 The financial statements of the Company, its subsidiaries, Joint ventures and associates used in the consolidation are drawn upto the same reporting date i.e. 31st March, 2018, 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., Lux Aqua Hungária Kft, LIAG Trading & Investment Ltd.,c. Lux Aqua Paraguay SA, Lux Waterline GmbH, Lux Professional GmbH, Lux Professional International GmbH, Lux Aqua Czech s.r.o, Brightyclean (Spain) S.L, Lux Osterreich Professional GmbH, Lux International Service Kft whose reporting dates are 31st December, 2017. 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.

Subsidiaries:

The list of subsidiary companies which are included in the consolidated financial statements and the Group's holdings therein are as under:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2018	As at 31st Mar., 2017
1	Eureka Forbes Limited and its subsidiaries:		India	100.00	100.00
	- Aquadiagnostics Water Research & Technology Center Limited		India	100.00	100.00
	- Forbes Lux International AG Baar		Switzerland	100.00	100.00
	- Lux International AG		Switzerland	100.00	100.00
	- Lux del Paraguay S.A.	3	Paraguay	50.00	50.00
	- Forbes International AG (formerly Forbes Lux Group AG)		Switzerland	100.00	100.00
	- Lux /SK/s.r.o.	4	Slovakia	-	100.00
	- Lux Italia srl		Italy	100.00	100.00
	- Lux Schweiz AG		Switzerland	100.00	100.00
	- Lux (Deutschland) GmbH		Germany	100.00	100.00
	- Lux International Services and Logistics GmbH (formerly Lux Service GmbH)		Germany	100.00	100.00
	- Lux Norge A/S		Norway	100.00	100.00
	- Lux Osterreich GmbH		Austria	100.00	100.00
	- Lux CZ s.r.o		Czech Republic	-	100.00
	- Lux Hungária Kereskedelmi Kft.	5	Hungary	100.00	100.00
	- Lux Aqua Hungária Kft		Hungary	100.00	100.00
	- LIAG Trading & Investment Ltd.		UAE	100.00	100.00
	- Lux Professional International GmbH (formerly Lux Aqua GmbH)		Switzerland	100.00	100.00
	- Lux Waterline GmbH (w.e.f 29th April, 2016 upto 31st December, 2017)	6	Germany	-	100.00
	- Lux Aqua Czech s.r.o (w.e.f 6th May, 2016)		Czech Republic	100.00	100.00
	- Brightyclean (Spain) SL (w.e.f 10th August, 2016)	5	Spain	-	100.00
	- Lux Professional GmbH (w.e.f 22nd December, 2016 upto 31st December, 2017)	6	Germany	-	100.00
	- Lux Osterreich Professional GmbH (w.e.f 15th December, 2016 upto 31st October, 2017)	7	Austria	-	100.00
	- Lux International Service Kft (w.e.f 6th January, 2017)		Hungary	100.00	-
	- Lux Aqua Paraguay S.A (w.e.f 1st December, 2016)		Paraguay	90.00	100.00
	- EFL Mauritius Limited		Mauritius	100.00	100.00
	- Euro Forbes Financial services Limited		India	100.00	100.00
	- Euro Forbes Limited		UAE	100.00	100.00
	- Forbes Lux FZCO		UAE	99.42	99.42
	- Forbes Facility Services Private Limited		India	100.00	100.00
	- Forbes Enviro Solutions Limited		India	100.00	100.00
2	Forbes Campbell Finance Limited and its subsidiaries:		India	100.00	100.00
	- Forbes Campbell Services Limited		India	98.00	98.00
	- Forbes Edumetry Limited	1	India	57.50	57.50
3	Forbes Technosys Limited		India	100.00	100.00
4	Volkart Fleming Shipping and Services Limited		India	100.00	100.00
5	Shapoorji Pallonji Forbes Shipping Limited	2	India	25.00	25.00
6	Campbell Properties & Hospitality Services Limited		India	100.00	100.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Footnotes:

- 1 Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956.
- 2 The Group has 25% ownership in Shapoorji Pallonji Forbes Shipping Limited (SPFSL) by virtue of joint venture agreement. However, SPFSL is consolidated as a subsidiary due to the Group's ability to appoint majority of directors on the Board of SPFSL.
- 3 Full consolidation in case of Lux del Paraguay S.A is due to operational control.
- 4 The subsidiary in Slovakia was liquidated in 2017.
- 5 The subsidiaries in Czech Republic and Brighthyclean (Spain) SL were sold to third party in 2017.
- 6 Lux Waterline GmbH and Lux Professional GmbH in Germany were merged to Lux Deutschland GmbH w.e.f. 31st December, 2017.
- 7 Lux Österreich Professional GmbH in Austria was merged to Lux Österreich GmbH w.e.f. 31st October, 2017.

Foreign Subsidiaries

The consolidated financial statements includes twenty subsidiaries (previous year: twenty five subsidiaries) incorporated outside India whose financial statements have been drawn up in accordance with the generally accepted accounting practices (GAAP) as applicable in those countries. These financial statements have been re-stated in Indian Rupees (presentation currency) and the resultant exchange gain /loss on conversion has been accounted in total comprehensive income and foreign currency translation reserve. In the opinion of the Management, based on the analysis of the significant transactions at subsidiaries, no material adjustments are required to be made to comply with Group accounting policies.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. When necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss

(as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The financial statements of the following companies which are in the nature of Joint ventures have been considered in the consolidated financial statements.

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
				As at 31st Mar., 2018	As at 31st Mar., 2017
1	Forbes Aquatech Limited	1	India	50.00	50.00
2	Forbes Concept Hospitality Services Private Limited	1	India	50.00	50.00
3	Infinite Water Solutions Private Limited	1	India	50.00	50.00
4	Forbes G4S Solutions Private Limited	1	India	50.00	50.00
5	Aqualgnis Technologies Private Limited	1	India	50.00	50.00
6	AMC Cookware Limited \$	2	South Africa	50.00	50.00
7	Forbes Bumi Armada Limited.	3	India	51.00	51.00

Footnotes:

- 1 Joint ventures of Eureka Forbes Limited.
- 2 Joint ventures of Lux International AG.
- 3 Joint ventures of Forbes Campbell Finance Limited
- \$ Reporting date is 31st December, 2017

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

The financial statements of the following associates are considered in the consolidated financial statements.

Sr No.	Name of the Entity	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%)	
			As at 31st Mar., 2018	As at 31st Mar., 2017
1	Euro P2P Direct (Thailand) Co. Limited	Thailand	49.00	49.00
2	Nuevo Consultancy Services Private Limited	India	49.00	49.00

2.7 Property, Plant and Equipment (including Investment Properties)

Property, Plant and Equipment are stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price (excluding refundable taxes), borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Freehold land is not depreciated.

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Group and cost can be reliably measured. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Depreciation on property, plant and equipment has been provided on straight line method as per the useful lives estimated by management, the life of the assets has been assessed based on technical evaluation which are higher than those specified by Schedule II to the Act, taking into account the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss within other gains / losses.

The estimated useful lives of the property, plant and equipment are as under:

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	20 - 60 years
b	Plant and Equipment	2-20 years
c	Furniture and Fixtures	2-10 years
d	Vehicles	3-5 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 3-5 years and Data processing equipment 3-6 years
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land (including Investment Properties)	Lower of the useful life in the range of 30 - 60 years and the lease term except in cases where useful life of certain building is based on technical evaluation
g	Shipping vessels	20 years
h	Temporary structures (included in building)	4 years
i	Drydock expenses incurred on Intermediate survey (included in Shipping vessels)	2.5 years
j	Drydock expenses incurred on Special survey (included in Shipping vessels)	5 years
k	Leasehold Land	Over the period of lease

Property, plant and equipment individually costing ₹ 5,000 and less are depreciated fully in the year of purchase.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

2.8 Capital work-in-progress

Projects under which tangible Property, plant and equipment are not yet ready for their use are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if any.

2.9 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

The estimated useful life of lease hold land is equivalent to the lease term.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss in the period in which the property is derecognised.

2.10 Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost comprises acquisition and implementation cost.

Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the disposal proceeds and the carrying amount of the asset and are recognised as income or expense in the Statement of Profit and Loss.

Research costs are charged to the Statement of Profit and Loss as they are incurred.

Indirect development costs for products are 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.

Intangible assets internally generated

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- its intention to complete and its ability and intention to use or sell that asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to measure reliably the expenditure during the development. The amount capitalised comprises expenditure that can be directly attributed or allocated on a reasonable and consistent basis to creating, producing and making the asset ready for its intended use.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of the expected future benefit. Amortisation expense is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. During the period of development, the asset is tested for impairment annually.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between sales proceeds and the carrying amount of the assets and is recognised in Statement of Profit and Loss.

The estimated useful lives of intangible assets are as under:

Sr. No.	Class of assets	Estimated useful life
a	Software acquired	3 - 5 years
b	Internally generated software (comprising Bill Payment and Cheque Deposits software, Forbes Xpress and Cash based Ticketing Solutions and other peripherals relating to banking)	3 - 6 years
c	Brand Names / Trademarks	3 - 5 years
d	Product Development expenditure	On straight line basis over the best estimate of their useful lives basis expected future benefits but not exceeding 10 years
e	Technical know-how	5 years

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

2.11 Intangible assets under development

Expenditure on development eligible for capitalisation is carried as intangible assets under development where such assets are not yet ready for their intended use.

2.12 Impairment of Assets

The Group assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separate identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of asset (cash-generating unit). If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

2.13 Deemed cost for property, plant and equipment, investment properties and intangible assets

The Company has elected to continue with the carrying value of all of its property, plant and equipment, investment properties and intangibles assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.14 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Financial assets

All recognised financial assets are subsequently measured in

their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and amounts that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in "Other income".

Investments in equity instruments at FVOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, loan commitments, trade receivables, financial guarantees not designated as FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18 Revenue, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss ("ECL") allowance for trade receivables, the Group has used a practical expedient as permitted under Ind AS 109 Financial Instruments. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in the Statement of Profit and Loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Borrowings are initially recognised at fair value, net of transaction costs incurred.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Group enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

Financial guarantee contracts

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

2.15 Borrowing Cost

Borrowing costs that are attributable to the acquisition or construction of qualifying assets, which are assets that necessarily takes a substantial period of time to get ready for its intended use or sale, are added to the cost of those assets; until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

2.16 Foreign Currency Transactions and Translation

In preparing the financial statements of each entity, transactions in currencies other than the that entity's functional currency viz. Indian Rupee (₹) are recognised at the rates of exchange prevailing at the dates of the transactions. Exchange difference on monetary items in respective entities is recognised in the Statement of Profit and Loss in the period in which they arise. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and

expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to the Statement of Profit and Loss.

2.17 Inventories

Inventories are valued at the lower of the acquisition / production cost and net realisable value. Costs of inventories are determined on weighted average basis. Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as "Real Estate Work in Progress" under Note 13 Inventories.

Real estate development work-in-progress cost includes construction and development cost, allocated interest and other overheads related to projects under construction and is valued at lower of cost and net realizable value

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

In the case of one of the foreign subsidiary namely Forbes Lux FZCO, cost of inventories are determined using the First In First Out (FIFO) method. Carrying value of such inventory is ₹ 51.00 Lakhs (*previous year ₹ 81.68 Lakhs*). In case of Lux Group entities, cost of inventories are determined using the FIFO method. Carrying value of such inventory is ₹ 5,187.58 Lakhs (*previous year ₹ 6,531.40 Lakhs*). The impact on accounting of change to weighted average method is negligible.

2.18 Earnings Per Share

Basic Earnings per share are calculated by dividing the consolidated net profit / (loss) after tax for the year attributable to equity shareholders of the Group by the weighted average

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number of equity shares outstanding during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.19 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

A. Revenue from real estate contracts:

In respect of property development projects undertaken by the Group, the Group follows percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions for recognising revenue from projects, based on estimation of the outcome of the project when the following conditions are completed:

- a. All critical approvals for commencement of the project have been obtained; and
- b. The actual construction and development cost incurred is at least 25% of the total construction and development cost; and
- c. At least 25% of the saleable project area is secured by contracts or agreements with buyers and ;
- d. At least 10% of the total revenue as per the aforementioned sale agreements have been realised in respect of each such contract and it is expected that the parties will comply with the payment terms of the contracts.

Determination of revenues under the percentage completion method necessarily involves making estimates by the Group some of which are of technical nature, concerning, where relevant, the percentage of completion, costs to completion and the expected revenue from the project and the foreseeable losses to completion.

Revenue is measured at fair value and recognized with respect to executed agreements for sale of residential units upon achieving threshold percentage of actual project cost incurred (excluding development rights and borrowing cost) as against the total estimated cost of the project (excluding development rights and borrowing cost).

When it is probable that total costs will exceed total revenue, the expected loss is recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which such probability occurs.

B. Sale of goods:

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- a) the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- b) the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- c) the amount of revenue can be measured reliably;
- d) it is probable that the economic benefits associated with the transaction will flow to the Group; and
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- f) Revenue on sale of recharge is recognised when the pins are downloaded by the customer.

Sales are recognised, net of estimated returns, trade discounts, taxes as applicable.

One year warranty is given on products sold by the group for which warranty provision is being made regularly based on the past experience. The standard on revenue recognition IND AS 18 specifies criteria for recognition of revenue separately for each identifiable components of a single transaction in order to reflect the substance of the transaction. The pricing structure of the products does not indicate any identifiable portion for warranty hence the entire revenue has been considered as revenue from sale of products.

C. Sale of services:

- a) 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.
- b) Container freight station ground rent income is recognised on an accrual basis.
- c) Charter hire earnings are recognized as the service is performed and accrued on time basis as per terms stated in pool agreement.
- d) Service revenue is recognised on rendering of services or as per contractual arrangement over the period of services. The revenue from maintenance contracts is recognised on accrual basis and advance received in respect of future period is accounted for as income received in advance. Unbilled revenue with respect to Maintenance Contract is recognised to the extent not billed at the year end. The Group collects taxes on behalf of government and

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therefore it is not an economic benefit flowing to the Group; hence it is excluded from unbilled revenue.

- e) Income from other services is recognised as and when the services are performed.
- f) Commission income is recognised as per terms of agreement with respective party and in the period in which services are rendered.

In respect of Water Purification Projects, contracts are entered into separately with the customers for supply of material and erection and commissioning. The billing is done based on supplies affected to the customers at the agreed rates and revenue is recognised net of sales tax. The Income pertaining to erection and commissioning is done based on milestones as agreed in the contract and revenue is recognised net of tax.

D. Interest and Dividend Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the amortised cost and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

2.20 Employee Benefits**a) Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the undiscounted amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

b) Other long-term employee benefits

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

The obligations are presented as current liabilities in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

c) Post-employment obligations

The Group operates the following post-employment schemes:

- Defined Contribution plans such as superannuation, pension, provident fund (in case of certain employees) and Employee State Insurance Corporation (ESIC).
- Defined Benefit plans such as gratuity, provident fund, (in case of certain employees), post-retirement medical benefits and non-compete fees (eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee).

Defined Contribution Plans

The Group's contribution to superannuation fund, pension, provident fund (in case of certain employees) and employee state insurance scheme are considered as defined contribution plans, as the Group does not carry any further obligations apart from the contributions made on a monthly basis and are charged as an expense based on the amount of contribution required to be made.

In case of Superannuation, pension, provident fund (in case of certain employees) and employee state insurance scheme, contributions are made to the Life Insurance Corporation of India (LIC).

Defined Benefit Plans

In case of Provident fund (in case of certain employees), contributions are made to a Trust administered by the Group. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity, post-retirement medical benefits and non-compete fees plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by actuaries using the projected unit credit method.

Eligible employees receive benefits from a provident fund which is defined benefit plan. Both the employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employees' salary. The Group contributes a part of the contributions to Forbes & Company Ltd. Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Group has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash

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refund or reduction in the future payments are available.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the Statement of Profit or Loss as past service cost.

Pension policy

Lux Group companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee-administered funds. Basically there are two different categories of such pension schemes:

- Swiss pension plans
- Foreign pension plans

Swiss pension plans

Swiss pension plans are stated according to SWISS GAAP FER 16

Employees and former employees receive different employee benefits and retirement pensions, which are determined in accordance with the legislative provision in Switzerland. All risks are reinsured and a underfunding is not possible.

Foreign pension plans

Pension plans were restated according to Swiss GAAP FER 16 in 2014.

The following companies have pension plans: Lux Austria

There are other Lux Group companies that have internal or external pension plans. However these plans are not material for the Group and therefore no further information is disclosed.

Since the above pension plans are operated as per the laws of respective countries, no adjustment has been carried out for differences.

- d) A liability for a termination benefit is recognised at the earlier of when the Group can no longer withdraw the offer of the termination benefit and when the group recognises any related restructuring costs.

2.21 Taxes on Income

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, Shapoorji Pallonji Forbes Shipping Limited (subsidiary) has opted for computation of 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 Group and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the subsidiary are not material, in view of which deferred taxation is not considered as necessary.

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2.22 Lease Accounting**(i) Operating Leases**

Leases, where the lessor retains, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense / income are recognized in the Statement Profit and Loss on a straight-line basis over the lease term.

(ii) Finance Leases

Leases, where the lessor transfers, substantially all the risks and rewards incidental to ownership of the leased assets, are classified as finance lease. Assets taken on finance lease are capitalised at fair value or net present value of the minimum lease payments, whichever is lower. Lease payments made are apportioned between the finance charges and reduction of the outstanding liability in respect of assets taken on lease.

2.23 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker in order to effectively allocate the Group's resources and assess performance.

2.24 Provisions and Contingent Liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranties

Provisions for the expected cost of warranty obligations under local sale of good legislations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

2.25 Goodwill On Consolidation

Goodwill comprises the portion of a purchase price for an acquisition that exceeds the Group's share of the identifiable assets, with deductions for liabilities, calculated on the date of acquisition.

Goodwill arising from the acquisition of associate companies and joint ventures is included in the value of the Group's holdings in the associate and joint ventures.

Goodwill is deemed to have an indefinite useful life and is reported at acquisition value with deduction for accumulated impairments. Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash generating unit or groups of cash-generating units which are benefitting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Any impairment loss for goodwill is recognised directly in the Consolidated statement of profit and loss, and is not reversed in subsequent periods. On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the Consolidated Statement Profit and Loss on disposal.

2.26 Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions

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attaching to them and that the grants will be received. These are recognised in the Consolidated Statement of Profit and Loss on a systematic basis over the period in line with the related costs.

2.27 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

2.28 Non-Current Assets Held For Sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Current assets are not depreciated or amortised while they are classified as held for sale.

2.29 Principles of business combinations

The acquisition method of accounting under Ind AS is used to account for business combinations by the Group from the date of transition to Ind AS i.e. 1st April, 2015. Prior to the date of transition to Ind AS, business acquisitions have been accounted based on previous GAAP.

2.30 Dividend

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in Note 2, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are

considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (refer Note 3.2 below), that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

3.1.1. The Svadeshi Mills Company Limited (Svadeshi) is not an associate of the Group although the Group owns a 23% ownership interest (including indirect) in Svadeshi, as the Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. The Review Petition had been filed against the Order dated 23rd February, 2016 whereby the Special Leave Petition (SLP) was dismissed. The said Review Petition filed before the Hon'ble Supreme Court was dismissed vide Order dated 26th August, 2016. The records of Svadeshi are in the custody of the Official Liquidator. Hence, the Group does not have significant influence over Svadeshi as Svadeshi is under liquidation.

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development:

In case of Real estate development, the Group's revenue recognition and margin recognition policy, which are set out in Note 2.19(A), are critical to how the Group values the work it has carried out in each financial year and corresponding recognition of revenue and expenses. These policies require forecasts to be made of the outcomes of long-term real estate development services, which require assessments and judgements to be made mainly on sale considerations, changes in the plan/outlay of work and changes in costs.

3.2.2 Contingent Liabilities and Provisions

Contingent Liabilities and Provisions are liabilities of uncertain timing or amount and therefore in making a reliable estimate of the quantum and timing of liabilities judgement is applied and re-evaluated at each reporting date.

3.2.3 Useful life and residual value of Property, Plant and Equipment, Intangible Assets and Investment Properties

As described in Notes 2.7, 2.9 and 2.10, the Group reviews the estimated useful life and residual values of property, plant and equipment, intangibles and investment properties at each reporting date.

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3.2.4 Fair value measurement and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The management of the Group determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where such inputs are not available, the Group engages third party qualified valuers to perform the valuation.

3.2.5 Impairment of Goodwill on consolidation

Determining whether goodwill is impaired requires as estimation of fair value/ value in use of cash-generating units to which goodwill has been allocated. Such valuation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

4. STANDARDS ISSUED BUT NOT EFFECTIVE

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28th March, 2018. The rules shall be effective from reporting periods beginning on or after April 1, 2018. Amendments to Ind AS as per these rules are mentioned below:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices. A new five-step process must be applied before revenue can be recognised:

- 1 Identify contracts with customers
- 2 Identify the separate performance obligation

- 3 Determine the transaction price of the contract
- 4 Allocate the transaction price to each of the separate performance obligations, and
- 5 Recognise the revenue as each performance obligation is satisfied.

The management is in process of assessing the impact of above amendment. The new standard is mandatory for financial years commencing on or after 1st April, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Appendix B to Ind AS 21 - Foreign currency transactions and advance consideration

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The management is in process of assessing the impact of above amendment, though it is expected that impact from the amendment would not be significant. The Group intends to adopt the amendments prospectively from 1st April, 2018.

Ind AS 40 - Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence.

The management is in process of assessing the impact of above amendment.

Ind AS 12 - Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.

The management is in process of assessing the impact of above amendment, though it is expected that impact from the amendment would not be significant. The Group intends to adopt the amendments from 1st April, 2018.

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5 Property, Plant and Equipment (own, unless otherwise stated)

₹ in Lakhs

Particulars	Freehold Land	Leasehold Land	Buildings	Plant and Equipment (Owned)	Plant and Equipment (Given On Operating Lease)	Furniture and Fixtures	Vehicles	Office Equipments	Data Processing Equipments (Owned)	Data Processing Equipments (On Lease)	Shipping Vessels	Total
Cost or Deemed cost												
Balance as at 31st Mar., 2016	353.83	51.55	8,843.58	6,276.30	1,442.28	1,116.15	2,247.51	557.66	1,478.53	279.62	34,642.92	57,289.93
Additions	-	-	770.81	2,484.20	417.35	666.30	952.36	412.50	381.02	76.26	-	6,160.80
Effect of foreign currency exchange difference	-	-	22.74	119.08	-	(187.59)	-	-	-	-	-	(45.77)
Disposal	-	-	(78.61)	(98.20)	(67.94)	(335.44)	(543.22)	(56.22)	(52.64)	-	-	(1,232.27)
Transferred to assets held for sale	-	(7.53)	(89.97)	(98.92)	-	(7.62)	-	(0.43)	(0.26)	-	-	(204.73)
Balance as at 31st Mar., 2017	353.83	44.02	9,468.55	8,682.46	1,791.69	1,251.80	2,656.65	913.51	1,806.65	355.88	34,642.92	61,967.96
Additions	-	-	74.69	1,781.74	271.48	1,106.35	925.43	131.71	184.21	6.09	9,695.73	14,177.43
Effect of foreign currency exchange difference	-	-	(133.56)	(47.87)	-	191.69	-	-	-	-	-	10.26
Reclassification	-	-	-	(18.32)	-	18.32	-	-	-	-	-	-
Disposal	-	(1.87)	(9.92)	(81.09)	(1,317.88)	(310.71)	(739.48)	(21.70)	(89.15)	-	-	(2,571.80)
Transferred to Investment Properties (refer Note 6)	-	-	(67.76)	-	-	-	-	-	-	-	-	(67.76)
Balance as at 31st Mar., 2018	353.83	42.15	9,332.00	10,316.92	745.29	2,257.45	2,842.60	1,023.52	1,901.71	361.97	44,338.65	73,516.09
Accumulated depreciation and Impairment												
Balance as at 31st Mar., 2016	-	0.63	410.78	676.16	718.84	244.68	58.78	181.79	435.06	34.29	2,130.82	4,891.83
Depreciation expense	-	0.63	321.28	874.51	511.13	339.60	808.53	224.57	390.79	70.14	2,198.55	5,739.73
Disposal	-	-	(20.13)	(79.70)	(59.71)	(277.00)	(424.01)	(50.15)	(49.96)	-	-	(960.66)
Effect of foreign currency exchange difference	-	-	9.98	65.60	-	52.76	-	-	-	-	16.71	145.05
Balance as at 31st Mar., 2017	-	1.26	721.91	1,336.57	1,170.26	360.04	443.30	356.21	775.89	104.43	4,346.08	9,815.95
Depreciation expense	-	0.50	549.21	1,312.84	320.97	73.40	774.00	261.10	372.16	73.69	2,226.38	5,964.25
Disposal	-	-	(9.16)	(15.59)	(1,317.54)	(180.90)	(578.70)	(18.83)	(84.82)	-	-	(2,205.60)
Transferred to Investment Properties (refer Note 6)	-	-	(35.65)	-	-	-	-	-	-	-	-	(35.65)
Effect of foreign currency exchange difference	-	-	(117.09)	(13.44)	-	-	-	-	-	-	-	(130.53)
Reclassification	-	-	-	(0.76)	-	0.76	-	-	-	-	-	-
Balance as at 31st Mar., 2018	-	1.76	1,109.22	2,819.62	173.69	253.30	638.54	598.48	1,063.23	178.12	6,572.46	13,408.42
Carrying Amount												
Balance as at 31st Mar., 2017	353.83	42.76	8,746.64	7,145.89	621.43	891.76	2,213.35	557.30	1,030.76	251.45	30,296.84	52,152.01
Balance as at 31st Mar., 2018	353.83	40.39	8,222.78	7,497.30	571.60	2,004.15	2,204.06	425.04	838.48	183.85	37,766.19	60,107.67

Footnotes:

- Plant and equipment (Owned) include jointly owned assets ₹ 19.24 Lakhs (Previous Year ₹ 19.24 Lakhs).
- Land and building with a carrying amount of ₹ 7,015.34 Lakhs (Previous Year ₹ 6,344.78 Lakhs) and Other Fixed Assets of ₹ 3,232.02 Lakhs (Previous Year ₹ 3,213.46 Lakhs) have been pledged to secure borrowings of the Group as security for bank loans under a mortgage (refer Note 19).
- Plant, equipments, furniture and fixtures and data processing with a carrying amount of ₹ 2089.98 Lakhs (Previous Year ₹ 561.76 Lakhs) have been mortgaged/ hypothecated to secure borrowings of the Group (refer Note 19).
- Ships are mortgaged to a financial institution for banking loan facility (refer Note 19)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

6. Investment Properties (Own, unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Completed investment properties	2,547.91	2,510.52
Total	2,547.91	2,510.52

Cost or Deemed Cost

₹ in Lakhs

Balance as at 1st Apr., 2017/1st Apr., 2016	2,635.75	2,635.75
Additions	69.66	-
Transferred from Property, Plant and Equipment (refer Note 5)	67.76	-
Disposals	(2.17)	-
Balance as at 31st Mar., 2018/31st Mar., 2017	2,771.00	2,635.75

Accumulated depreciation and impairment

₹ in Lakhs

Balance as at 1st Apr., 2017/1st Apr., 2016	125.23	62.63
Depreciation expense	62.40	62.60
Transferred from Property, Plant and Equipment (refer Note 5)	35.65	-
Held for Sale	(0.19)	-
Balance as at 31st Mar., 2018/31st Mar., 2017	223.09	125.23

Carrying amount

₹ in Lakhs

Balance as at 31st Mar., 2018/31st Mar., 2017	2,547.91	2,510.52

Notes:

- Investment properties (Cost) include: (i) Premises on freehold land where the Group is yet to be registered as the owner of a proportionate share in the land ₹ 28.66 Lakhs (*Previous Year ₹ 28.66 Lakhs*); (ii) Jointly owned Residential Premises ₹ 28.39 Lakhs (*Previous Year ₹ 28.39 Lakhs*); (iii) Shares in Co-operative Housing Societies, Association of apartment owners and in a Group ₹ 0.17 Lakh (*Previous Year ₹ 0.17 Lakh*).
- Building with a carrying amount of ₹ 227.24 Lakhs (*Previous Year ₹ 242.62 Lakhs*) have been mortgaged to secure credit facilities of the Group.
- Investment properties includes the lease rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 424.41 Lakhs of which ₹ 66.23 Lakhs has been disclosed under property, plant and equipment for which the Group has made an application for renewal of lease and approval from authorities awaited thereon.

6.2 Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31st Mar., 2018 and 31st Mar., 2017 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi and Yardi Prabhu, independent valuers not related to the Company. V.S. Modi and Yardi Prabhu are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Group's investment properties and information about the fair value hierarchy as at 31st Mar., 2018 and 31st Mar., 2017 are as follows:

₹ in Lakhs

Particulars	Level 3	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Andhra Pradesh - Land	27.45	44.35
Delhi - Building	1,021.03	977.30
Gujarat - Land and Building	492.97	470.24
Kerala - Building	827.81	768.66
Maharashtra - Land and Building	63,708.92	60,840.88
Tamil Nadu - Land and Building	290.00	228.61
West Bengal - Building	642.84	590.28
Office Units located in India- Pune City	155.00	140.00
Karnataka - Building	155.00	140.00
Total	67,321.02	64,200.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

7. Goodwill

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Cost (or deemed cost)	53,497.69	49,516.10
Accumulated impairment losses	5,755.50	5,581.09
Total	47,742.19	43,935.01

Cost or Deemed Cost	As at 31st Mar., 2018	As at 31st Mar., 2017
Balance at beginning of year	49,516.10	50,017.85
Additional amounts recognised from business combinations (refer Note 54)	889.59	-
Effect of foreign currency exchange differences (refer Note 54)	3,092.00	(501.75)
Balance at end of year	53,497.69	49,516.10

Accumulated depreciation and impairment	As at 31st Mar., 2018	As at 31st Mar., 2017
Balance at beginning of year	5,581.09	5,581.09
Impairment losses recognised in the year (refer Note 54)	174.41	-
Balance at end of year	5,755.50	5,581.09

8 Other Intangible assets

₹ in Lakhs

Particulars	Technical Knowhow	Product Development Expenditure	Brands/ Trade Marks	Computer Software (Acquired)	Computer Software (Internally Generated)	Other Intangible Assets	Total
Cost or Deemed cost							
Balance as at 31st Mar., 2016	-	2,052.51	399.89	419.20	921.82	51.16	3,844.58
Additions	60.00	974.01	-	395.88	1,849.22	55.61	3,334.72
Disposal	-	-	-	(0.02)	-	-	(0.02)
Effect of foreign currency exchange difference	-	73.44	-	-	-	4.41	77.85
Balance as at 31st Mar., 2017	60.00	3,099.96	399.89	815.06	2,771.04	111.18	7,257.13
Additions	-	110.67	-	106.94	-	2.29	219.90
Disposal	-	(185.46)	-	-	-	-	(185.46)
Effect of foreign currency exchange difference	-	(314.58)	-	-	-	1.08	(313.50)
Balance as at 31st Mar., 2018	60.00	2,710.59	399.89	922.00	2,771.04	114.55	6,978.07
Accumulated depreciation and Impairment							
Balance as at 31st Mar., 2016	-	494.32	162.90	142.20	184.31	23.80	1,007.53
Depreciation expense	10.16	665.06	162.90	193.97	199.84	32.56	1,264.49
Effect of foreign currency exchange difference	-	14.26	-	-	-	1.43	15.69
Balance as at 31st Mar., 2017	10.16	1,173.64	325.80	336.17	384.15	57.79	2,287.71
Depreciation expense	9.97	640.32	74.09	211.31	542.33	26.68	1,504.70
Disposal	-	(4.58)	-	-	-	-	(4.58)
Effect of foreign currency exchange difference	-	(348.85)	-	-	-	(3.59)	(352.44)
Balance as at 31st Mar., 2018	20.13	1,460.53	399.89	547.48	926.48	80.88	3,435.39
Carrying Amount							
Balance as at 31st Mar., 2017	49.84	1,926.32	74.09	478.89	2,386.89	53.39	4,969.42
Balance as at 31st Mar., 2018	39.87	1,250.06	-	374.52	1,844.56	33.67	3,542.68

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

9. Non Current Investments

9A. Investments in associates

₹ in Lakhs

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
1. Equity Shares of THB 100 each in Euro P2P Direct (Thailand) Co. Limited	19,596	26.68	19,596	26.68
Provision for impairment		(26.68)		(26.68)
		-		-
2. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	58,849	5.88	58,849	5.88
Provision for impairment		(5.88)		(5.88)
		-		-
TOTAL INVESTMENTS		-		-

9B. Investments in joint ventures

₹ in Lakhs

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity instrument (at cost less impairment)				
1. Equity shares of ₹ 10 each in Forbes Bumi Armada Limited	28,05,000	280.56	28,05,000	280.56
Post acquisition share in profits		257.12		199.91
		537.68		480.47
2. Equity shares of ₹10/- fully paid up in Forbes Aquatech Limited	5,00,000	50.00	5,00,000	50.00
Post acquisition share in profits		663.37		562.80
		713.37		612.80
3. Equity shares of ₹ 10/- fully paid up in Forbes Concept Hospitality Services Private Limited	26,25,000	262.50	26,25,000	262.50
Post acquisition share in (Losses)		(255.81)		(256.10)
		6.69		6.40
4. Equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited	35,00,000	350.00	35,00,000	350.00
Post acquisition share in profits		1,590.07		1,282.46
		1,940.07		1,632.46
5. Equity shares of ₹ 10/- fully paid up in Aquaignis Technologies Private Limited	29,27,867	292.79	29,27,867	292.79
Post acquisition share in (Losses)		(100.53)		(107.91)
		192.26		184.88
6. Equity shares of ₹ 10/- fully paid up in Forbes G4S Solutions Private Limited	5,000	0.50	5,000	0.50
Post acquisition share in (Losses)		(0.50)		(0.50)
		-		-
7. Equity shares of Rand 1/- in AMC Cookware PTY Limited.	5,000	- *	5,000	- *
Post acquisition share in profits		4,286.66		3,799.77
		4,286.66		3,799.77
TOTAL INVESTMENTS		7,676.73		6,716.78

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

9C. Other investments

₹ in Lakhs

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Quoted Investments (all fully paid)				
Investments in Equity Instruments - measured at FVOCI				
Equity shares of ₹ 10 each fully paid up in Reliance Power Limited	8,913	3.22	8,913	4.29
Equity shares of ₹ 10 each fully paid up in SPS Finquest Limited	-	-	2,49,600	299.27
		<u>3.22</u>		<u>303.56</u>
Unquoted Investments (all fully paid)				
Investments in Equity Instruments - measured at FVOCI				
Equity shares of ₹ 10/- fully paid up in Kasiak Research Private Limited.	-	-	378	- *
Equity shares of ₹ 1/- fully paid up in Idea Bubbles Consulting Services Private Limited	14,650	267.65	14,650	234.40
Equity shares of ₹ 10/- fully paid up in Water Quality Association (refer Note 2 below)	7,143	0.71	7,143	0.71
		<u>268.36</u>		<u>235.11</u>
Investments in Preference Units- measured at FVOCI				
Series C Preferred Units of USD 0.15 each in Econopure Water Systems LLC	16,66,667	- *	16,66,667	- *
		<u>-</u>		<u>-</u>
Investments in Debentures - measured at FVTPL				
Compulsorily Convertible Debentures of ₹ 100/- fully paid up in Idea Bubble Consulting Services Pvt Ltd	40,000	57.81	-	-
		<u>57.81</u>		<u>-</u>
Investments in Equity Instruments - measured at FVTPL				
Equity shares of ₹ 10 each in New India Co-operative Bank Limited	5,500	0.55	5,500	0.55
Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [Provision for impairment in value ₹ 0.05 Lakhs; (Previous Year ₹ 0.05 Lakhs)]	10	- *	10	- *
Equity Shares of ₹ 10 each in Simar Port Private Limited	1,000	0.10	1,000	0.10
Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited. [Provision for impairment in value ₹ 285.26 Lakhs (Previous Year ₹ 285.26 Lakhs)] (refer Note 57)	17,69,430	- *	17,69,430	- *
Equity Share of SGD 1 each in Forbes Container Lines Pte. Limited [Provision for impairment in value ₹ 271.26 Lakhs (Previous year ₹ 271.26 Lakhs)] (refer Note 1 below)	8,64,960	- *	8,64,960	- *
Equity shares of USD 1 each in Edumetry Inc. USA [Provision for impairment in value ₹ 35.48 Lakhs (Previous Year ₹ 35.48 Lakhs)] (refer Note 3 below)	2,500	- *	2,500	- *
		<u>0.65</u>		<u>0.65</u>
Investments in Equity Instruments (at amortised cost)				
Equity shares of ₹ 10 each in Carmel Properties Private Limited. (refer Note 4 below)	1,125	0.03	1,125	0.03
		<u>0.03</u>		<u>0.03</u>
Investment in Debentures (at amortised cost)				
Irredeemable debentures of ₹ 100 each in Carmel Properties Private Limited. (refer Note 4 below)	3,089	3.89	3,089	3.89
		<u>3.89</u>		<u>3.89</u>
TOTAL INVESTMENTS		<u><u>333.96</u></u>		<u><u>543.24</u></u>

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Note:

- Forbes Container Lines Pte. Limited., Singapore (“FCLPL”), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. As on 31st March, 2017, Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements.
- Water Quality Association is a non profit making organisation hence the fair value of this investment has been considered similar to its carrying value.
- Edumetry Inc., USA , a foreign joint venture of the Group has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Group does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements.
- Carmel Property is a residential flat at Mumbai, market value of which as at 31st March, 2018 is ₹ 1,042.65 Lakhs, (*Previous Year ₹ 1,026.10 Lakhs*) as per valuation report issued by V. S. Modi Associates, Chartered Engineers, Govt. Approved Valuers, Mumbai.
- The Board of Directors of the Company at its meeting held on 12th October, 2016, had approved sale of its entire shareholding (50.001%) in Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited), a joint venture with Bumi Armada Berhad to Shapoorji Pallonji Oil and Gas Private Limited (‘SPOGPL’) at a price of ₹ 1,250.00 Lakhs. The Company had executed “Share Transfer Agreement” and transferred the entire shareholding to SPOGPL and recognized profit of ₹ 750.01 Lakhs during the previous year. The same has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017 (refer Note 35).

9D. Current Investments

₹ in Lakhs

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Qty	Amount	Qty	Amount
Quoted Investments (all fully paid)				
Investments in Equity Instruments at FVTPL				
Equity shares of ₹ 10/- fully paid up in Bajaj Holding and Investment Limited	100	2.66	100	2.16
Equity shares of ₹ 10/- fully paid up in MOIL Limited	7,570	14.82	3,785	11.88
		17.48		14.04
Unquoted Investments (all fully paid)				
Investments in Mutual Funds at FVTPL				
Units shares of ₹ 10/- fully paid up in Reliance Vision Fund Growth Plan Growth Option	357.856	1.91	357.856	1.76
TOTAL INVESTMENTS		19.39		15.80

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Category-wise investments – as per Ind AS 109 classification

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Financial assets carried at fair value through Other Comprehensive Income (FVOCI)		
Equity Instruments	271.58	538.67
Preference units	-	-
	<u>271.58</u>	<u>538.67</u>
Financial assets carried at fair value through profit or loss (FVTPL)		
Equity Instruments	20.04	16.45
Debentures	57.81	-
	<u>77.85</u>	<u>16.45</u>
Financial assets carried at amortised cost		
Debentures	3.89	3.89
Equity Instruments	0.03	0.03
	<u>3.92</u>	<u>3.92</u>
Financial assets carried at cost less impairment		
Equity Instruments	7,676.73	6,716.78
	<u>7,676.73</u>	<u>6,716.78</u>
Total	<u>8,030.08</u>	<u>7,275.82</u>

Footnote:

Aggregate amount of quoted non current investments (net of impairment) and market value thereof	3.22	303.56
Aggregate amount of unquoted non current investments (net of impairment) and market value thereof	8,026.86	6,972.26
Aggregate amount of quoted current investments (net of impairment)	17.48	14.04
Aggregate amount of unquoted current investments (net of impairment)	1.91	1.76
Aggregate amount of impairment in value of investments	624.61	624.61

10. Trade receivables

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
10A. Non Current		
Trade receivables		
a) Unsecured, considered good	4,384.13	4,093.92
b) Doubtful	16,047.51	14,953.53
	<u>20,431.64</u>	<u>19,047.45</u>
Allowance for doubtful debts (expected credit loss allowance)	16,047.51	14,953.53
Total	<u>4,384.13</u>	<u>4,093.92</u>
10B. Current		
Trade receivables		
a) Unsecured, considered good	42,102.25	46,292.71
b) Doubtful	3,839.79	4,646.88
	<u>45,942.04</u>	<u>50,939.59</u>
Allowance for doubtful debts (expected credit loss allowance)	3,839.79	4,646.88
Total	<u>42,102.25</u>	<u>46,292.71</u>

Note :

As at 31st Mar., 2018, current trade receivables of ₹ 27,234.97 Lakhs (Previous Year ₹ 40,515.91 Lakhs) were pledged as security for current and non-current borrowings.

Debts due by private companies in which a director is a director / member (₹ in Lakhs) (refer Note 47)	19.85	12.22
Less : Allowance for doubtful debts (expected credit loss allowance)	10.18	7.81
Net Debts	9.67	4.41

The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on provision matrix which uses historical credit loss experience of the Group. Forward looking information (including macro economic information) has been incorporated into the determination of expected credit losses.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Receivable from Government institutions have been excluded for determining loss allowance for expected credit losses since recovery of dues from government is certainly receivable. Water Projects receivable comprise of various components including retention money which is not due for collection. The other part of the receivable is governed by individual contracts and agreements. The Group has written off / provided for receivable where non-recoverability is established. Group believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour.

In shipping business, historical credit loss experience has been considered and in past, no credit loss is suffered. In future, there will be no expected credit loss as vessels are under pool agreement.

There are no customers who represents more than 5% of the total balance of trade receivables.

The ageing of receivables and movement in expected credit loss allowance is as follows:

	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Not Due	-	-
0-1 Year	38,510.86	43,117.29
More than 1 Year	7,975.52	7,269.34
	46,486.38	50,386.63

Movement in expected credit allowance

	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Balance at beginning of the year	19,600.41	17,562.47
Impairment losses recognised on receivables	374.94	2,108.09
Amounts written off during the year as uncollectible	(0.95)	(13.21)
Amounts recovered during the year	(87.10)	(56.94)
Balance at end of the year	19,887.30	19,600.41

11. Loans

11A. Non Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Security deposits		
- Unsecured, considered good	2,450.72	2,525.19
- Unsecured, considered doubtful	9.80	9.80
Less : Allowance for bad and doubtful deposits	9.80	9.80
	2,450.72	2,525.19
b) Loans to others		
- Secured, considered doubtful	4,391.78	4,391.78
- Unsecured, considered good	854.24	275.77
- Unsecured, considered doubtful	3,407.82	3,384.24
Less : Allowance for bad and doubtful loans	7,799.60	7,776.02
	854.24	275.77
Total	3,304.96	2,800.96

11B. Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Loans and advances to employees		
- Unsecured, considered good	69.58	60.69
- Unsecured, considered doubtful	2.88	2.78
Less : Allowance for doubtful loans and advances	2.88	2.78
	69.58	60.69
b) Security deposits		
- Secured, considered good	-	-
- Unsecured, considered good	351.45	392.51
	351.45	392.51

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
c) Loans to others		
- Unsecured, considered good	25.53	11.79
- Unsecured, considered doubtful	375.00	375.00
Less : Allowance for bad and doubtful loans	375.00	375.00
	<u>25.53</u>	<u>11.79</u>
Total	<u>446.56</u>	<u>464.99</u>

11C. Movement in the allowance for bad and doubtful loans

	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Balance at beginning of the year	8,163.60	7,979.13
Impairment losses recognised on receivables	23.68	184.47
Balance at end of the year	<u>8,187.28</u>	<u>8,163.60</u>

12. Other financial assets

12A. Non current

(unsecured considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Accruals:		
i) Interest accrued on deposits with bank	6.26	7.04
b) Bank deposits with more than 12 months maturity	19.47	54.42
c) Balance held with banks as margin money deposits with remaining maturity of more than 12 months (refer Note below)	1,469.43	1,334.37
Total	<u>1,495.16</u>	<u>1,395.83</u>

Note:

₹ 1,243.57 Lakhs is deposited with Axis Bank (Dubai) under Debt Service Reserve to be maintained as part of loan agreement which has been marked under lien with bank.

12B. Current

(unsecured considered good unless otherwise stated)

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Accruals:		
i) Interest accrued on deposits with bank	12.70	38.80
b) Contractually reimbursable expenses from related parties	326.71	273.25
c) Other current receivables *	1,710.04	2,392.35
d) Earnest Money Deposits	114.20	205.33
e) Unbilled Revenue (refer Note below)	4,614.53	3,204.90
Total	<u>6,778.18</u>	<u>6,114.63</u>

* Includes Insurance claim receivables.

Note :

The stage of completion of real estate development project is determined based on the proportion of the actual cost incurred in construction as against the total estimated construction cost of the aforesaid project. Accordingly, excess of revenue recognised over actual bills raised has been classified as unbilled revenue. This amount has been reclassified from "Other current assets" - Note 15B considering contractual rights and historical trends as the said disclosure is more relevant to the users of the financial statements. This change does not result in any impact on total current assets.

13. Inventories

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Inventories (lower of cost and net realisable value)		
Raw materials and Components (includes in transit ₹ 341.30 Lakhs (Previous Year ₹ 1,748.55 Lakhs))	5,583.31	7,253.73
Work-in-progress	569.40	428.07
Finished goods (includes in transit ₹ 282.59 Lakhs (Previous Year ₹ 373.00 Lakhs))	6,945.55	7,530.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Stock-in-trade (includes in transit ₹ 1,168.95 Lakhs (Previous Year ₹ 475.80 Lakhs))	15,526.70	12,865.02
Spares and accessories (includes in transit ₹ 659.26 Lakhs (Previous Year ₹ 920.92 Lakhs))	9,110.34	10,628.80
Stores and spares	289.11	274.91
Real estate development work-in-progress	5,586.14	4,804.58
Total	43,610.55	43,785.23

Refer Note 29, 30A for details of cost of inventories recognised as an expense during the year in respect of continuing operations.

The cost of inventories recognised as an expense includes ₹ 70.45 Lakhs (Previous Year ₹ (-)393.69 Lakhs) in respect of write back/write-downs of inventory to net realisable value respectively. Previous write-downs have been reversed as a result of increased sales prices in certain markets.

As at 31st Mar., 2018, inventories of ₹ 26,005.07 Lakhs (Previous Year ₹ 28,492.19 Lakhs) were pledged as security for current and non-current borrowings.

14. Cash and cash equivalents

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Balances with Banks		
a) In current accounts	12,615.01	15,569.40
b) In EEFC Account [USD 93,213.74; (Previous year USD Nil)]	60.54	-
c) Deposits accounts (with original maturity upto 3 months)	5.00	1,009.49
	12,680.55	16,578.89
Cheques, drafts on hand	882.51	2,399.64
Cash on hand	136.64	56.28
	1,019.15	2,455.92
Total	13,699.70	19,034.81

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) In deposit accounts with original maturity of more than 3 months but less than 12 months **	159.89	2,975.60
b) In deposit accounts with original maturity of more than 12 months #	146.09	169.86
c) Balances held as margin money / under lien with remaining maturity of less than 12 months	116.35	113.76
d) Earmarked balance with the banks: - Unpaid dividends*	-	-
Total	422.33	3,259.22

* Amount is below the rounding off norm adopted by Group.

** Includes deposits under lien.

Includes deposits lodged as security with government authorities.

As at 31st Mar., 2018, bank balances other than cash and cash equivalents of ₹ 178.18 Lakhs (Previous Year ₹ 325.14 Lakhs) were pledged as security for current and non-current borrowings.

15. Other assets

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
15A. Non Current		
a) Capital Advances	337.28	286.90
b) Prepaid expenses	133.16	84.36
c) Prepaid Leasehold Assets	23.60	24.07
d) Advances for supply of goods and services - Unsecured, considered good	449.53	-
- Unsecured, considered doubtful	-	-
Less : Allowance for doubtful advances	-	-
	449.53	-
e) Balances with statutory / government authorities - Unsecured, considered good	2,767.88	2,287.02
- Unsecured, considered doubtful	46.69	46.69
Less : Allowance for doubtful balances	46.69	46.69
	2,767.88	2,287.02
f) Advance wealth tax	408.29	408.29
Total	4,119.74	3,090.64

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

15B. Current

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Advances to related parties	0.63	109.53
b) Advances for supply of goods and services		
- Unsecured, considered good	8,227.56	8,024.24
- Unsecured, considered doubtful	126.18	139.04
Less : Allowance for doubtful advances	126.18	139.04
	<u>8,227.56</u>	<u>8,024.24</u>
c) Other Advances	30.67	31.96
d) Prepaid expenses	1,464.48	1,583.96
e) Prepaid lease hold assets	0.46	0.46
f) Balances with statutory / government authorities	5,069.28	2,100.38
g) Export incentives receivables	101.40	129.65
h) Advances to employees	17.86	17.79
Total	<u>14,912.34</u>	<u>11,997.97</u>

As at 31st Mar., 2018, other assets of ₹ 3,690.91 Lakhs (*Previous Year ₹ 3,451.09 Lakhs*) were pledged as security for current and non-current borrowings.

16. Asset classified as held for sale

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
	refer Note (i)	
Investment Property	1.98	-
Land - Leasehold	-	7.53
Buildings	-	89.97
Plant and Equipment	-	98.93
Furniture and fixtures	-	7.61
Data Processing Equipments	-	0.26
Office Equipments	-	0.43
Total	<u>1.98</u>	<u>204.73</u>

Note:

- (i) The Group has entered into an agreement for sale of a flat and accordingly the carrying value aggregating ₹ 1.98 Lakhs (*Previous Year ₹ Nil*) of the asset has been shown as "Asset classified as held for sale" on the face of Balance Sheet. The fair value of the said asset is ₹ 130.00 lakhs (*Previous Year ₹ Nil*).

17. Equity Share Capital

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Authorised Share capital :		
1,50,00,000 fully paid equity shares of ₹ 10 each	<u>1,500.00</u>	<u>1,500.00</u>
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each (<i>Previous year 1,28,98,616</i>)	<u>1,289.86</u>	<u>1,289.86</u>
	<u>1,289.86</u>	<u>1,289.86</u>

17.1 Fully paid equity shares

Particulars	Share Capital ₹ in Lakhs	
	Number of shares	₹ in Lakhs
Balance as at the year end	<u>128,98,616</u>	<u>1,289.86</u>

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

17.2 Details of shares held by the holding company, its subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Shapoorji Pallonji and Company Private Limited, the holding company	<u>93,59,293</u>	<u>93,59,293</u>
Total	<u>93,59,293</u>	<u>93,59,293</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

17.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Shapoorji Pallonji and Company Private Limited	93,59,293	72.56	93,59,293	72.56
India Discovery Fund Limited	11,48,255	8.90	11,48,255	8.90
Total	1,05,07,548	81.46	105,07,548	81.46

17.4 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.

18. Other equity

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
a) Capital reserve		
Balance at beginning of the year	188.25	188.25
Less: Utilised on sale of related capital assets	(30.00)	-
Balance as at the year end	158.25	188.25
b) Capital contribution reserve		
Balance as at the year end	493.54	493.54
c) Securities premium reserve		
Balance as at the year end	161.76	161.76
d) Tonnage tax reserve		
Balance at beginning of the year	221.13	188.38
Add: Transferred from/ to retained earnings	(221.13)	32.75
Balance as at the year end	-	221.13
e) Debenture redemption reserve		
Balance as at the year end	2,500.00	2,500.00
f) General reserve		
Balance as at the year end	42,594.28	42,594.28
g) Foreign currency translation reserve		
Balance at beginning of year	1,323.22	206.59
Disposal/Reduction of partial interest in subsidiary	-	59.53
Exchange differences in translating the financial statements of foreign operations	2,735.29	1,057.10
Balance as at the year end	4,058.51	1,323.22
h) Capital reserve for bargain purchase business combinations		
Balance as at the year end	1,221.43	1,221.43
i) Capital reserve on Merger*		
Balance as at the year end	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
j) Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	(13.65)	(101.39)
Cumulative gain/(loss) reclassified to retained earning for Equity Instruments through OCI	(55.06)	-
Fair value gain on investments in equity instruments at FVOCI (net of tax)	45.61	87.74
Balance as at the year end	<u>(23.10)</u>	<u>(13.65)</u>
k) Retained earnings		
Balance at beginning of year	(19,446.93)	(27,706.65)
Exchange difference on translation of foreign operations arising during the year	(109.14)	-
Other Adjustment on account of increase in capital	(82.43)	-
Cumulative gain/(loss) reclassified to reserves for Equity Instruments through OCI	55.06	-
Profit/(Loss) attributable to owners of the Company	(1,944.27)	8,447.98
Other comprehensive income (net of tax)	(25.25)	(143.04)
Expenses related to capital reduction by a subsidiary	-	(2.28)
Expenses related to issue of shares by a subsidiary	(9.50)	-
Payment of dividends on equity shares	(318.31)	-
Tax on dividends	(75.83)	(10.19)
Transferred from/(to) Tonnage Tax Reserve	221.13	(32.75)
Balance as at the year end	<u>(21,735.47)</u>	<u>(19,446.93)</u>
l) Equity Component of Preference Shares		
Balance as at the year end	894.42	894.42
m) Treasury Shares		
Balance as at the year end	(32.55)	(32.55)
Total	<u><u>30,291.07</u></u>	<u><u>30,104.90</u></u>

* Amount is below the rounding off norm adopted by Group.

Description of nature and purpose of reserves

(i) Capital reserve

The Group recognises profit or loss on purchase, sale, issue or cancellation of Group's own equity instruments to capital reserve. Grants received from the Government in the nature of promoter's contribution towards fixed capital investment are recognised as capital reserve and treated as part of total equity. During the year, a subsidiary has sold assets of Bhimtal Plant and utilised related Capital reserve of ₹ 30.00 Lakhs.

(ii) Capital contribution reserve

Capital contribution reserve represents the difference of value on account of foreign currency conversion on account of capital contribution as per local laws of foreign entity and treated as part of total equity.

(iii) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(iv) Tonnage tax reserve

The Group has opted for computation of its income from shipping activities under the tonnage tax scheme for taxation purpose. As per the scheme, the Group is required to transfer not less than 20% of its book profit derived from the activities referred to in clauses (i) and (ii) of sub-section (1) of section 115V-I in each previous year to the Tonnage Tax Reserve Account to be utilised in the manner laid down in sub-section (3) of section 115VT of the Income Tax Act, 1961.

As required under section 115 VT and sub-section (3) of Income Tax Act, 1961, the amount credited to Tonnage Tax Reserve Account under sub-section (1) shall be utilised by the Group before the expiry of a period of eight years following the previous year in which the amount was credited. Group had utilised the amount kept under Tonnage Tax Reserve Account by way of acquisition of Ship and thus the reserve amounting to ₹ 221.13 Lakhs has been transferred from Tonnage Tax Reserve to Retained Earnings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

	18.1	₹ in Lakhs	
		<u>31st Mar., 2018</u>	<u>31st Mar., 2017</u>
(v) Debenture redemption reserve			
The Group has issued Redeemable Non-convertible Debentures. Accordingly, the Companies (Share Capital and Debenture) Rules, 2014 (as amended), requires the Group to create Debenture redemption reserve out of profits of the Group available for payment of dividend for an amount equal to 25% of the value of debentures issued, which has been accordingly reflected above.			
(vi) General reserve			
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.			
(vii) Foreign currency translation reserve			
Exchange differences relating to the translation of the results and net assets of Group's foreign operations from their functional currencies to the Group's presentation currency (i.e.₹) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Gain and losses on derivatives that are designated as hedging instruments for hedges of net investments in foreign operations are included in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of foreign operations.			
(viii) Capital reserve for bargain purchase business combinations			
The holding company's interest in the pre acquisition reserves and profits (or losses) is adjusted against cost of control to arrive at goodwill or capital reserve on consolidation.			
(ix) Reserve for equity instruments through other comprehensive income			
Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed of.			
(x) Equity Component of Preference Shares			
The reserve represents the Equity component of preference share issued by the Group, being the difference between the fair value of the financial instrument and its carrying value, adjusted for amortisation of interest cost upto the date of transition.			
	(i) Equity shares		
	Dividend for the year 31st March, 2017 of ₹ 2.50 per fully paid share had been proposed by the directors in their meeting held on 24th May, 2017 which has been approved by share holders at the Annual General Meeting held on 24th August, 2017.	318.31	-
	[excludes dividend on 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation]		
	Dividend distribution tax paid	65.65	-
	Proposed dividend		
	(ii) Dividend not recognised at the end of reporting year		
	In addition to the above dividends, since year end, the board of directors have recommended the payment of a dividend of ₹ 2.50 for the year ended March 31, 2018 (Previous year ₹ 2.50) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	318.31	<i>318.31</i>
	[excludes dividend on 1,66,398 equity shares held by a subsidiary, which have been eliminated on consolidation]		
	Dividend Distribution Tax on proposed dividend	66.28	<i>65.65</i>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

19. Non-current Borrowings

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
A - Secured – at amortised cost				
(a) Debentures	8,208.22	9,963.74	1,770.85	-
<p>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.</p> <p>600 debentures of face value 10,00,000 amounting to ₹ 6,000.00 lakhs were allotted on 10th September, 2015 carrying coupon rate of 9.80% payable half yearly.</p> <p>Terms of repayment: 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 follows: 30% at the end of 36 months i.e. on 10th September, 2018, 30% at the end of 48 months i.e. on 10th September, 2019 and 40% at the end of 60 months i.e. on 10th September, 2020.</p> <p>400 debentures of face value 10,00,000 amounting to ₹ 4,000.00 lakhs were allotted on 20th July, 2016 carrying coupon rate of 9.10% payable half yearly and due for repayment on 22nd July, 2019.</p>				
(b) Term loans				
From banks				
i) Axis Bank, Dubai Foreign currency Term loan - Secured by first charge on the vessels refinanced under the loan and a first charge over Designated Earnings Account, receivables, earnings, claims against third parties, revenues of the Vessels of whatsoever nature. The second ECB term loan is secured by first charge on the stainless steel vessel acquired in Jan, 2018 and pari passu charge on one marinline coated vessel, further first charge over designated earnings account, receivables, earnings, claims against third parties, revenues of the stainless steel vessel.	21,581.86	17,337.76	2,472.36	1,349.08
The foreign currency term loan from Axis Bank, DIFC Branch, Dubai was obtained in July 2014 at Libor plus a Margin of 4.15%, which was revised to 3.50% with effect from 2nd January, 2016 and further revised to 3.00% with effect from 1st April, 2017. The Group has prepaid an amount of USD 3 million on 29th March 2016. The loan is repayable in 12 consecutive unequal semi-annual instalments starting at the end of 6 months from the initial utilisation date i.e. July 2, 2014. The repayment of instalment follow an increasing pattern culminating in a bullet repayment instalment of USD 18,728,138 on July 2, 2020.				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
<p>The second ECB loan was availed from Axis Bank, DIFC Branch, Dubai in January 2018 at Libor plus a Margin of 2.76%. The loan is repayable in 12 equal semi- annual instalments starting at the end of 1 year from the initial utilisation date i.e January 10, 2018. The repayment of instalment follow a constant pattern culminating in a bullet repayment instalment of USD 4,316,000 on Jan 10, 2025.</p> <p>One of the subsidiary of the Group namely Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), is required to maintain as on the last date of each financial reporting period, a Fixed Asset Coverage Ratio of atleast 1.25:1.</p> <p>SPFSL shall ensure that its payment obligations under the refinancing agreement rank and continue to rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for the obligations mandatorily preferred by law applied to companies generally.</p> <p>SPFSL is required to establish and maintain a Designated Earning Account and ensure that all Earnings are paid in respect of each vessel are paid into the Designated Earning Account.</p> <p>SPFSL is also required to establish and maintain a Debt Service Reserve Account. an interest bearing USD - denominated bank account to be opened with Axis Bank Ltd., DIFC Branch, Dubai. The account should have an amount equal to the aggregate of the next immediate schedule Repayment Instalment to be paid and the next immediate scheduled interest due and payable which has been complied with.</p>				
<p>ii) Export Import Bank of India - Production Equipment Finance Programme Loan - Secured by an exclusive charge by way of hypothecation of the specific movable fixed assets of the parent company.</p> <p>[Repayable in quarterly instalments of ₹ 17.30 Lakhs each. First instalment was due in August, 2012 and last instalment is due in August, 2018, account foreclosed during the year. Rate of interest in the range of 11.00% p.a to 12.00% p.a.]</p>	-	34.89	-	68.70
<p>iii) Axis Bank Ltd - Secured by a mortgage over Primary : Exclusive 1st charge on movable and immovable fixed assets (tangible + intangible), present and future, of a subsidiary. Collateral: Extension of pari passu 1st charge on current assets of one of a subsidiary.</p>	570.00	1,142.00	572.00	572.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
[Floating rate loans with Axis bank Limited with remaining maturity period not exceeding 2 years (<i>Previous Year : 3 years</i>). The effective interest rate on these loans is 10% per annum (<i>Previous Year: 10.12% per annum</i>). The Maturity of Term Loan - March 2020.]				
iv) DCB Bank Limited Term Loan - Secured by 1st Pari-passu charge on all the present and future current assets of a subsidiary along with Axis Bank Limited.	-	600.01	600.01	599.99
[Floating rate loans with remaining maturity periods not exceeding 9 months (<i>Previous Year: 1 year and 9 months</i>). The effective interest rate on these loans is 11% per annum (<i>Previous Year is 10.46% per annum</i>). The Maturity of term loan - December - 2018.]				
v) Foreign Currency External Commercial Borrowings - I - Secured by first mortgage / pari-passu charge on the immovable properties of a subsidiary situated at Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal.	1,934.18	4,925.55	3,831.85	3,362.10
[Foreign Currency External Commercial Borrowings (ECB) from The Hongkong and Shanghai Banking Corporation and Societe Generale Bank for Euro 14,500,000. The loan is repayable in 11 Equal Semi Annual instalments of Euro 24.16 Lakhs and last instalment of Euro 24.27 Lakhs starting from 12th February 2014 carrying interest rate of Euribor + Margin 2.5% p.a.]				
vi) Foreign Currency External Commercial Borrowings II - Secured against pari passu charge on tangible and intangible assets of Aquamall Water Solution Limited (merged with Eureka Forbes Limited w.e.f 1st April, 2016).				
[Foreign Currency External Commercial Borrowings (ECB) from ICICI Bank UK Plc amounting to EURO 8,000,000 (<i>Previous Year Euro 8,000,000</i>) carrying interest rate of Euribor + Margin (2.0%) The loan is repayable in 6 half yearly instalments of Euro 1,120,000 and last instalment of Euro 1,280,000, beginning from 11th December 2017.]	3,700.35	4,737.95	1,782.20	774.32
	27,786.39	28,778.16	9,258.42	6,726.19
	35,994.61	38,741.90	11,029.27	6,726.19

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs			
	Non-current portion		Current maturities	
	As at 31st Mar., 2018	As at 31st Mar., 2017	As at 31st Mar., 2018	As at 31st Mar., 2017
B - Unsecured – at amortised cost				
(i) Yes Bank Ltd. [Floating rate loans with Yes bank Limited with remaining maturity periods not exceeding 3 years and 5 months (Previous Year: 4 years and 5 months). The effective interest rate on these loans is 9.8% per annum (Previous Year : 10.25%). The Maturity of term loan - August - 2021.]	1,500.00	2,100.00	600.00	600.00
(ii) Term Loan from Axis Bank [The loan is repayable in 3 annual instalments commencing from the year 2018 as follows : 2018 - USD 60,00,000, 2019 - USD 60,00,000 and 2020 - USD 1,30,00,000. Loan carries interest rate of LIBOR plus 385 bps per annum.]	12,105.81	16,952.00	3,822.89	-
(iii) Term Loan from Axis Bank [The loan is repayable in 3 annual instalments of USD 20,00,000 each commencing from the year 2019-20. Loan carries interest rate of LIBOR plus 375 bps per annum.]	3,822.11	4,066.77	-	-
(vi) Bank Debts [Multicurrency Term Facility Agreement. The Loan is repayable in 7 equal instalments, first time in December 2019, and last time in December 2022.] (a part of the loan is secured by pledge of shares of Lux International AG).	11,461.98	10,695.52	-	-
(vii) Debentures				
a) India Bulls (250 debentures of face value of ₹ 10,00,000 each) [Debentures are Unsecured, Redeemable and Non Convertible. Date of allotment of Debentures : March 20, 2017. The maturity of Debentures - March 20, 2020. The debentures carry interest @ 10.38% p.a payable on quarterly basis.]	2,496.67	2,500.00	-	2,494.01
b) Axis Bank (350 debentures of face value of ₹ 10,00,000 each) [Debentures are Unsecured, Redeemable and Non Convertible. Date of allotment of Debentures : October 18, 2017. The maturity of Debentures - October 18, 2020. The debentures carry interest @ 9.90% p.a payable on quarterly basis.]	3,468.06	-	-	-
(viii) Liability component of Redeemable Preference Share Capital (refer Note 48 and 49)	2,682.66	2,395.39	-	-
	37,537.29	38,709.68	4,422.89	3,094.01
Total	73,531.90	77,451.58	15,452.16	9,820.20
Less: Amount disclosed under “Other current financial liabilities” in Note 20.	-	-	(15,452.16)	(9,820.20)
Total Non-current borrowings	73,531.90	77,451.58	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

20. Other financial liabilities

20A.Non Current		<i>₹ in Lakhs</i>	
Particulars	As at 31st Mar., 2018	<i>As at 31st Mar., 2017</i>	
a) Security deposits	468.65	467.86	
b) Other Payables	92.35	382.19	
Total	561.00	850.05	
20B. Current		<i>₹ in Lakhs</i>	
Particulars	As at 31st Mar., 2018	<i>As at 31st Mar., 2017</i>	
a) Current maturities of long-term borrowings	15,452.16	9,820.20	
b) Interest accrued but not due on borrowings	652.68	584.63	
c) Unpaid dividends **	- *	- *	
d) Others :-			
-Payables on purchase of fixed assets	75.85	21.12	
-Security deposits	4,408.00	4,056.29	
-Other Accrued Liabilities	3,461.66	4,187.31	
	7,945.51	8,264.72	
Total	24,050.35	18,669.55	

** There are no amounts due and outstanding to be credited to Investor Education and Protection Fund

* Amount is below the rounding off norm adopted by the Group.

21. Provisions

21A.Non current		<i>₹ in Lakhs</i>	
Particulars	As at 31st Mar., 2018	<i>As at 31st Mar., 2017</i>	
a) Employee benefits			
Gratuity (refer Note 43)	308.90	241.43	
Other post retirement benefits (refer Note 43)	275.67	299.65	
	584.57	541.08	
b) Other provisions			
For Warranty (refer Note 42)	265.29	323.09	
Other Provisions (refer Note 42)	1,347.74	1,366.00	
	1,613.03	1,689.09	
Total	2,197.60	2,230.17	

Note: Other provisions comprises provision for contingencies, restructuring and other provisions which represents the present value of the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities. The movement of provision for contingencies is depicted under Note 42.

21B.Current		<i>₹ in Lakhs</i>	
Particulars	As at 31st Mar., 2018	<i>As at 31st Mar., 2017</i>	
a) Employee benefits			
Compensated absences	831.72	840.55	
Gratuity (refer Note 43)	310.29	264.80	
Other post retirement benefits (refer Note 43)	58.44	62.40	
	1,200.45	1,167.75	
b) Other provisions			
For Warranty (refer Note 42)	967.66	978.53	
Other Provisions (refer Note 42)	175.39	1,862.42	
	1,143.05	2,840.95	
Total	2,343.50	4,008.70	

Note: Other provisions comprises provision for contingencies, restructuring and other provisions which represents the present value of the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities. The movement of provision for contingencies is depicted under Note 42.

22. Deferred tax

22A. Deferred tax assets

The following is the analysis of deferred tax assets presented in the balance sheet:

		<i>₹ in Lakhs</i>	
Particulars	As at 31st Mar., 2018	<i>As at 31st Mar., 2017</i>	
Deferred tax assets (refer Note 39)	2,615.04	2,369.37	
Total	2,615.04	2,369.37	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

22B. Deferred tax liabilities		<i>₹ in Lakhs</i>		23B. Current		<i>₹ in Lakhs</i>	
The following is the analysis of deferred tax (liabilities) presented in the balance sheet:						As at	<i>As at</i>
	As at	<i>As at</i>		Particulars	31st Mar.,	2018	<i>31st Mar.,</i>
Particulars	2018	<i>2017</i>					<i>2017</i>
Deferred tax liabilities (refer Note 39)	(353.53)	<i>(363.78)</i>		a) Income received in advance	28,121.35		<i>25,964.77</i>
Total	(353.53)	<i>(363.78)</i>		b) Advances from customers	2,123.01		<i>1,662.43</i>
				c) Statutory remittances	2,191.70		<i>4,056.47</i>
				d) Others			
				- Payable to Employees	10,608.95		<i>8,747.29</i>
				- Other Payables	531.96		<i>617.42</i>
				Total	43,576.97		<i>41,048.38</i>
23. Other liabilities							
23A. Non-current		<i>₹ in Lakhs</i>					
	As at	<i>As at</i>					
Particulars	31st Mar.,	<i>31st Mar.,</i>					
	2018	<i>2017</i>					
a) Income received in advance	10,052.78	<i>8,676.97</i>					
b) Others							
- Pension liability	4,368.65	<i>4,286.05</i>					
- Payable to Employees	1,019.83	<i>1,097.12</i>					
Total	15,441.26	<i>14,060.14</i>					
24. Current Borrowings						<i>₹ in Lakhs</i>	
					As at	<i>As at</i>	
Particulars					31st Mar.,	2018	<i>31st Mar.,</i>
							<i>2017</i>
A - Secured - at amortised cost							
a) Loans repayable on demand							
- from banks							
Cash credit facilities					20,008.23		<i>19,548.70</i>
Cash credit facilities amounting to ₹ 15,210.71 Lakhs (<i>Previous Year ₹ 14,815.01 Lakhs</i>) is secured by pari-passu charge on immovable properties of a subsidiary, current assets, hypothecation of stock-in-trade & book debts and carries interest @ 8% to 12% p.a. In case of Foreign entities of a subsidiary, the interest rate for all bank overdrafts were between 1.72% and 13%.							
Cash credit facilities amounting ₹ 4,797.51 Lakhs (<i>Previous Year ₹ 4,733.69 Lakhs</i>) is secured by pari-passu hypothecation charge on all inventory and trade receivables of a subsidiary with aggregating ₹ 8,722.51 Lakhs (<i>Previous Year ₹ 11,442.19 Lakhs</i>). Average rate of interest on facilities ranges from 10% and to 11.00%.							
					20,008.23		<i>19,548.70</i>
B - Unsecured - at amortised cost							
a) Loans repayable on demand					2,815.38		<i>4,500.00</i>
- from banks							
Unsecured short term borrowing from banks carries interest @ 8% to 11.5% p.a.							
b) Loans from related parties (refer Note 47)					200.00		<i>200.00</i>
c) Commercial papers including interest accrued aggregating ₹ 24.86 Lakhs (<i>Previous Year ₹ 18.65 Lakhs</i>) [maximum amount outstanding during the year ₹ 8,000 Lakhs (<i>Previous Year ₹ 6,100 Lakhs</i>)] (Loans are having tenure upto 91 days, interest rate is in the range of 7.80% p.a. to 8.10% p.a. and settlement through bullet repayment on respective due dates)					6,890.84		<i>4,920.09</i>
					9,906.22		<i>9,620.09</i>
Total					29,914.45		<i>29,168.79</i>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

25. Trade payables

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Trade payables		
- Others	38,185.21	34,204.00
- Micro and small enterprises	1,931.23	2,430.41
Total	40,116.44	36,634.41

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	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	1,780.75	2,328.56
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	31.55	10.60
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	168.44	184.96
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	1.88	1.81
Further interest remaining due and payable for earlier years	117.05	89.44

26. Current tax assets and liabilities

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Current tax assets (net)		
Tax refund receivable	6,987.85	7,809.00
	6,987.85	7,809.00
Current tax liabilities (net)		
Income tax payable	706.07	1,857.85
	706.07	1,857.85
Net Asset	6,281.78	5,951.15

Balance at the beginning of the year	5,951.15	6,073.11
Add: Taxes paid (includes MAT Credit utilised against tax Payable ₹ 488.90 Lakhs (Previous Year ₹ 392.37 Lakhs))	3,932.86	3,577.18
Less: Current tax payable for the year	(3,602.23)	(3,699.14)
Balance at the year end	6,281.78	5,951.15

27. Revenue from operations

The following is an analysis of the Group's revenue for the year

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
a) Income from real estate contracts	9,516.53	9,420.03
b) Sale of products (including excise duty)	1,97,414.31	2,18,700.85
c) Sale of services		
i) Charter hire income	8,102.49	9,729.90
ii) Ground rent from container freight stations	-	164.15
iii) Multimodal transport operations and allied services	-	458.93
iv) Maintenance Services	57,420.42	51,607.48
v) Transaction Charges	245.66	470.41
vi) Commission Income	4,215.90	4,646.39
	69,984.47	67,077.26
d) Other operating revenues		
i) Rent and amenities	2,075.30	2,036.78
ii) Export incentives	48.78	60.16
iii) Others (mainly includes scrap sales, interest on instalments and income from renting of products)	3,768.78	5,050.71
	5,892.86	7,147.65
Total	2,82,808.17	3,02,345.79

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

28. Other income			29. Real estate development costs		
	₹ in Lakhs			₹ in Lakhs	
Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017	Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
a) Interest Income			Real estate development costs		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:			i) Material and Contractual Payments	3,819.74	2,806.17
(i) Bank deposits	106.63	119.20	ii) Fees for technical services / design and drawings	217.89	701.48
(ii) Inter-corporate deposit	39.07	35.59	iii) Project Management Consultancy Fees	117.68	831.22
(iii) Customers and others	67.68	70.34	iv) Fees-filing with Statutory Authorities	1,629.01	4,389.97
	213.38	225.13	v) Interest on borrowings	445.38	12.25
(above all amounts are measured at amortised cost)			vi) Operation and maintenance expenses	174.64	79.52
b) Dividend Income			Total	6,404.34	8,820.61
(i) from long-term investments	0.07	0.07			
(ii) from current investments	0.49	27.62	30. A. Cost of materials consumed (raw and packing materials)		
	0.56	27.69			
c) Other Non-Operating Income				Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
(i) Credit balances / excess provision written back	71.93	699.64	Particulars		
(ii) Rent Income	63.37	1,183.90	Opening Stock of of raw materials including packing material	7,253.73	6,544.87
(iii) Interest on Income Tax refund	46.65	69.93	Purchases	65,934.95	73,028.67
(iv) Miscellaneous income	964.90	2,636.25		73,188.68	79,573.54
	1,146.85	4,589.72	Less: Closing stock of raw materials including packing material	5,583.31	7,253.73
d) Other gains and losses				67,605.37	72,319.81
(i) Gain on disposal of property, plant and equipment	298.87	190.63			
(ii) Gain on disposal of current investments	12.30	79.79	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.		
(iii) Net foreign exchange gains	1,063.37	25.17	B. Changes in inventories of finished goods, work-in-progress and stock-in-trade.		
(iv) Guarantee Commission	25.27	11.84	Inventories at the end of the year:		
(v) Net gain arising on financial assets mandatorily measured at FVTPL	206.41	4.61	i) Finished goods	6,945.55	7,530.12
	1,606.22	312.04	ii) Work-in-progress	569.40	428.07
Total	2,967.01	5,154.58	iii) Stock-in-trade	15,526.70	12,865.02
			iv) Spares and accessories	9,110.34	10,628.80
			v) Real estate development work-in-progress	5,586.14	4,804.58
				37,738.13	36,256.59

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Inventories at the beginning of the year:

i) Finished goods	7,530.12	1,238.61
ii) Work-in-progress	428.07	421.08
iii) Stock-in-trade	12,865.02	17,531.55
iv) Spares and accessories	10,628.80	7,921.16
iv) Real estate development work-in-progress	4,804.58	1,524.45
	36,256.59	28,636.85
Net increase	(1,481.54)	(7,619.74)

31. Employee benefits expense

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
i) Salaries and Wages	64,397.20	63,755.72
ii) Contribution to provident and other funds	2,821.40	2,561.55
iii) Staff Welfare Expenses	1,745.45	1,598.46
Total	68,964.05	67,915.73

32. Finance costs

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
(a) Interest Cost		
(i) Interest on borrowings	8,709.03	7,682.99
Less: Interest capitalized during the year	(592.00)	(862.80)
	8,117.03	6,820.19
(ii) Interest Expense on delayed payment of taxes	0.35	9.37
(iii) Notional Interest on Security Deposit	0.29	0.40
(iv) Other Interest Expense	86.34	64.45
(v) Interest on Preference Share classified as borrowing	260.33	232.44
Total interest expense for financial liabilities not classified as at FVTPL	8,464.34	7,126.85
(b) Exchange differences regarded as an adjustment to borrowing costs	727.72	(25.38)
(c) Other borrowing costs	363.90	339.23
Total	9,555.96	7,440.70

33. Depreciation, amortisation and impairment expense

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
i) Depreciation of property, plant and equipment (refer Note 5)	5,964.25	5,739.73
ii) Depreciation of investment properties (refer Note 6)	62.40	62.60
iii) Amortisation of intangible assets (refer Note 8)	1,504.70	1,264.49
iv) Impairment of Goodwill (refer Note 7)	174.41	-
v) Less : Transferred to Real estate work-in-progress	(1.19)	(1.19)
Total	7,704.57	7,065.63

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

34. Other expenses

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Consumption of stores and spare parts	1,676.74	1,489.47
(Decrease) of excise duty on inventory	(144.39)	(2.42)
Processing charges	2,883.31	3,008.63
Power and fuel	1,224.41	1,162.62
Operating costs for shipping and logistics division		
a) Equipment and Charter hire charges	-	49.16
b) Transportation, freight, handling and other charges	-	407.39
c) Crew and Other Related Expenses	183.77	160.76
d) Others	503.77	112.48
Rent and hire charges	3,298.73	3,526.09
Repairs to :		
a) Buildings	316.14	399.07
b) Plant and machinery	612.68	603.75
c) Others	1,033.84	1,753.22
	1,962.66	2,756.04
Insurance	854.03	810.42
Rates and taxes	497.87	1,319.06
Selling expenses, commission and brokerage	11,843.54	14,552.19
Printing and Stationery	526.31	528.30
Communication	1,698.64	2,012.81
Advertisement and sales promotion	5,463.10	6,269.84
Legal and professional charges	3,081.83	3,443.66
Travelling and conveyance	4,155.13	4,270.00
Trade receivables / advances written off	1,103.43	152.13
Less: Provision held	13.80	13.76
	1,089.63	138.37
Provision for doubtful trade receivables	286.89	2,352.11
Provision for doubtful loans and advances	23.68	304.30
Managed assets service provider's charges	425.59	721.78
Service Charges	23,066.25	19,826.21
Provision for Contingencies	-	900.00
Freight and outward charges	5,124.89	6,101.17
Information Technology Expenses	3,210.01	2,909.68
Conference Expenses	2,554.61	2,123.35
Mobilisation Charges	2,355.12	2,270.67
Money Transfer Business Expenses	316.13	198.84
Provision for Warranties	576.89	423.75
Corporate Social Responsibility Expenditure (refer Note 2 below)	201.54	202.69
Other Establishment expenses	10,680.09	10,506.19
Miscellaneous expenses	1,255.67	1,252.11

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Auditor Remuneration		
To Statutory auditors		
i) For audit	246.71	276.31
ii) For taxation matters	5.63	26.86
iv) For other services	44.29	49.44
v) For reimbursement of expenses	6.40	5.88
	303.03	358.49
To cost auditors for cost audit	6.46	4.64
Total	91,185.93	96,470.85

Note : Included in other expenses are the below:

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
1. Direct operating expenses arising from investment property that generated rental income during the year	179.04	184.51
Direct operating expenses arising from investment property that did not generate rental income during the year	10.63	40.50
Total	189.67	225.01

2. Details of Corporate social responsibility expenditure:

As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities. A CSR committee has been formed by the Company as per the Act

Amount required to be spent as per section 135 of the Act.

Amount spent/commitments during the year:

	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
i) Construction/acquisition of an asset	1.20	-
ii) Agreements entered for construction/ acquisition of assets	19.80	-
iii) Purpose other than (i) and (ii) above	200.34	202.69

35. Exceptional items

Particulars	₹ in Lakhs	
	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
a) (Loss)/ Gain on cessation of Joint Ventures	-	(397.30)
b) Profit on sale of logistics business (refer Note 52)	-	331.01
c) Profit on Slump sale (refer Note 52)	-	5,459.26
d) Termination benefits and one time settlement with employees	-	(430.30)
e) Gain on cessation of Subsidiary	-	3,258.07
Total	-	8,220.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

36. Income taxes**36.1 Income tax recognised in Statement of Profit and Loss**

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Current tax	3,602.23	3,699.14
Deferred tax	(793.18)	(1,254.34)
Total income tax expense recognised in the current year	<u>2,809.05</u>	<u>2,444.80</u>

The income tax expense for the year can be reconciled to the accounting profit as follows:

Profit/ (Loss) before tax	(1,352.49)	9,514.47
Income tax expense calculated at corporate tax rate at 34.608% (Previous Year: 34.608%)	(468.07)	3,292.76
Effect of amounts which are exempt in calculating taxable income	954.89	87.14
Effect of past losses for which deferred tax assets is recognised in current year	(952.79)	(1,962.72)
Effect of expenses that are not deductible in determining taxable profit	57.33	256.66
Effect of tax incentives and concessions	(77.60)	(1,968.85)
Tax not payable for loss making entities	425.44	966.42
Others (mainly comprises effect of difference in tax rates in subsidiaries, net of impact of elimination and adjustments on consolidation)	<u>2,869.85</u>	<u>1,773.39</u>
Income tax expense recognised in consolidated Statement of Profit and Loss	<u>2,809.05</u>	<u>2,444.80</u>

36.2 Income tax recognised in other comprehensive income**Others****Deferred tax****Arising on income and expenses recognised in other comprehensive income:**

Re-measurement of defined benefit obligation	10.12	66.72
Equity instruments through other comprehensive income	(54.31)	(17.50)
Total income tax expense recognised in other comprehensive income	<u>(44.19)</u>	<u>49.22</u>

37. Leases**(a) Operating lease: Group as lessor**

The Group has entered into operating lease arrangements, consisting of surplus space in buildings to others. The Group also gives certain products on operating lease. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 2,075.30 Lakhs (Previous Year ₹ 2,036.78 Lakhs) has been disclosed as "Rent and amenities" under Revenue from operations in Note 27 and ₹ 63.37 Lakhs (Previous Year ₹ 1,183.90 Lakhs) has been disclosed as "Rent Income" under Other Income in Note 28 to the Statement of Profit and Loss.

Non-cancellable operating lease receivables

Period	As at 31st Mar., 2018	As at 31st Mar., 2017
	₹ in Lakhs	₹ in Lakhs
Not later than 1 year	450.15	608.07
Later than 1 year and not later than 5 years	232.83	355.47
Later than 5 years	-	-
TOTAL	682.98	963.54

(b) The Group as lessee :

The Group has taken certain office premises, a residential flats and equipment on operating lease basis. Future minimum lease payable under non-cancellable operating lease are as follows:

Period	As at 31st Mar., 2018	As at 31st Mar., 2017
	₹ in Lakhs	₹ in Lakhs
Not later than 1 year	49.75	21.18
Later than 1 year and not later than 5 years	86.20	69.00
Later than 5 years	-	-
TOTAL	135.95	90.18

(c) Rent expenses relating to operating leases :

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
	₹ in Lakhs	₹ in Lakhs
Lease payments recognised in the consolidated Statement of Profit and Loss	1,977.66	2,133.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

38. Earnings per share

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
	₹ per share	₹ per share
Basic earnings per share	(25.30)	70.17
Basic earnings per share attributable to owners of the Group	(15.27)	66.35
Diluted earnings per share	(25.30)	70.17
Diluted earnings per share attributable to owners of the Group	(15.27)	66.35

38.1. Basic Earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Profit/(Loss) for the year (A) (₹ in Lakhs)	(3,220.88)	8,934.47
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	127.32	127.32
Basic Earnings per share (A/B) (₹)	(25.30)	70.17
Profit/(Loss) for the year attributable to owners of the Group (A) (₹ in Lakhs)	(1,944.27)	8,447.98
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	127.32	127.32
Basic earnings per share attributable to owners of the Group (A/B) (₹)	(15.27)	66.35

38.2. Diluted earnings per share

Particulars	Year Ended 31st Mar., 2018	Year Ended 31st Mar., 2017
Earnings used in the calculation of diluted earnings per share (A) (₹ in Lakhs)	(3,220.88)	8,934.47
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	127.32	127.32
Diluted Earnings per share (A/B) (₹)	(25.30)	70.17
Earnings used in the calculation of diluted earnings per share attributable to owners of the Group (A) (₹ in Lakhs)	(1,944.27)	8,447.98
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	127.32	127.32
Diluted earnings per share attributable to owners of the Group (A/B) (₹)	(15.27)	66.35

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

39A. Deferred tax Assets

The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet:

Current Year (2017-2018)

Particulars	Opening balance	Recognised in Statement of Profit and Loss		Others	Recognised in Other Comprehensive Income	MAT Credit utilised against tax Payable	Closing balance
		Loss	Others				
₹ in Lakhs							
Deferred tax (liabilities)/assets in relation to:							
a) Property, plant and equipment	(551.70)	(130.02)	-	-	-	-	(681.72)
b) Allowance for Doubtful debts and advances	275.00	0.31	-	-	-	-	275.31
c) Provisions and liabilities to be allowed on payment basis	1,192.39	278.04	(11.57)	(44.19)	-	-	1,414.67
d) Voluntary retirement scheme	114.76	(38.37)	-	-	-	-	76.39
e) MAT Credit	1,571.07	612.72	-	-	(488.90)	-	1,694.89
f) Others (includes tax losses)	609.14	(37.73)	5.10	-	-	-	576.51
Total	3,210.66	684.95	(6.47)	(44.19)	(488.90)	(488.90)	3,356.05

Previous Year (2016-2017)

Particulars	Opening balance	Recognised in Statement of Profit and Loss		Others	Recognised in Other Comprehensive Income	MAT Credit utilised against tax Payable	Closing balance
		Loss	Others				
₹ in Lakhs							
Deferred tax (liabilities)/assets in relation to:							
a) Property, plant and equipment	(1,330.20)	778.50	-	-	-	-	(551.70)
b) Allowance for Doubtful debts and advances	423.43	(148.43)	-	-	-	-	275.00
c) Provisions and liabilities to be allowed on payment basis	1,315.13	(128.40)	(43.56)	49.22	-	-	1,192.39
d) Voluntary retirement scheme	25.05	89.71	-	-	-	-	114.76
e) MAT Credit	881.27	1,082.17	-	-	(392.37)	-	1,571.07
f) Unabsorbed depreciation	725.51	(725.51)	-	-	-	-	-
g) Written down of deferred tax asset	(3,343.51)	3,343.51	-	-	-	-	-
h) Others (includes tax losses)	2,745.64	(2,142.31)	5.81	-	-	-	609.14
Total	1,442.32	2,149.24	(37.75)	49.22	(392.37)	(392.37)	3,210.66

39B. Deferred tax Liabilities

Current Year (2017-2018)

Particulars	Opening balance	Recognised in Statement of Profit and Loss		Recognised in Other Comprehensive Income	Forex	Closing balance
		Loss	Others			
₹ in Lakhs						
Deferred tax (liabilities) in relation to:						
a) Property, plant and equipment	(811.51)	(173.53)	-	-	-	(985.04)
b) Others (includes tax losses)	(393.55)	281.76	-	-	2.29	(109.50)
Total	(1,205.06)	108.23	-	-	2.29	(1,094.54)

Previous Year (2016-2017)

Particulars	Opening balance	Recognised in Statement of Profit and Loss		Recognised in Other Comprehensive Income	Forex	Closing balance
		Loss	Others			
₹ in Lakhs						
Deferred tax (liabilities) in relation to:						
a) Property, plant and equipment	-	(811.51)	-	-	-	(811.51)
b) Others (includes tax losses)	(311.00)	(83.38)	-	-	0.83	(393.55)
Total	(311.00)	(894.89)	-	-	0.83	(1,205.06)

Note: Deferred tax assets and liabilities aggregating to ₹ 741.01 Lakhs of certain subsidiaries have been offset due to the netting off provisions applicable in those jurisdictions. Accordingly, the value of deferred tax asset/ liabilities as reflected in the financial statements would reconcile on a net basis with the amount reflected above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

39C. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

Particulars	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
-Unaborbed depreciation	2,238.57	1,554.78
-Unused tax losses (for which Deferred Tax Asset has not been recognised)	5,071.95	9,647.64
	7,310.52	11,202.42

39D. Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, a subsidiary has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed tonnage income of that entity and no differed tax is applicable to such income as there are no temporary differences. The temporary difference in respect of the non-tonnage activities of that entity are not material, in view of which deferred taxation has not been accounted for that entity.

39E. Certain subsidiaries and joint ventures of the group have undistributed earnings as at 31st March, 2018 of ₹ 2,544.08 Lakhs (*Previous Year ₹ 1,988.64 Lakhs*) which, if paid out as dividends or Group's interests in them if sold outright, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries and joint ventures. These subsidiaries are not expected to distribute dividends out of their reserves in the foreseeable future. Certain subsidiaries, joint ventures and all associates of the group are currently in accumulated deficit, the set-off of those temporary differences is not available against temporary differences of other entities in the group. Also, certain entities who have suffered losses during the year ended March 31st 2018 which would have restrictions for dividend distribution have been excluded from the aforesaid undistributed earnings calculation.

40 Contingent liabilities:

	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
(a) Claims against the Group not acknowledged as debts		
1 Taxes in dispute:-		
(i) Excise demand	4,165.94	5,462.49
(ii) Sales tax	6,113.00	5,468.72
(iii) Income-tax	6,747.33	3,329.61
(iv) Service-tax	2,886.08	2,715.36
(v) Entry-tax	-	76.90
(vi) Customs duty	101.00	101.00
(vii) Wealth tax	409.86	409.86
2 Labour matters in dispute	28.52	17.07
3 Claim of Madhya Gujarat Vij Co. Ltd. for alleged diversion of fraction of the power consumed and contested by the Group in the Court	-	188.29
4 Customer claims [Advance paid against the demand ₹ 50.18 Lakhs; (<i>Previous year ₹ 50.18 Lakhs</i>)]	3,165.04	3,237.59
5 Other legal matters *	93.98	139.58
(b) Guarantees		
(i) Guarantees given on behalf of Shipping Principals and Surety Bonds jointly executed with third parties in favour of customs and other parties (net of provision)	64.00	3,165.00
(ii) Guarantee on behalf of related parties	2,906.42	2,899.89
(iii) Bank Guarantees Issued	100.00	98.63
(c) Share in contingent liability of Joint Venture and associates: The Contingent Liabilities as on 31st March, 2018 is ₹ 199.99 Lakhs (<i>Previous Year ₹ 164.82 Lakhs</i>)		

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

40.1 Other Matters

- (a) A subsidiary had entered into an agreement with G B Pant hospital for providing Sanitary House Keeping Services at their hospital. There is a dispute regarding minimum wages payable by the hospital to the Subsidiary, as a result of which an amount of ₹ 315.20 Lakhs has been withheld by the hospital. This matter had been referred for arbitration. The arbitration award was announced on 20th Nov 2017 in favour of the Company directing G.B. Pant Hospital to settle the claim of overdue outstanding along with an interest at the rate of 12 % within three months. The company has filed a recovery petition at the Delhi High Court since the settlement was not done by G.B.Pant . The High Court has directed G.B.Pant to file a suitable explanation on 18th May 2018, failing which the High Court would issue attachment orders of the bank accounts and properties of G.B. Pant. Basis legal advice received, the Management is confident of recovering the dues.
- (b) A subsidiary had entered into an agreement with Nayati Multi Super Speciality for providing the Sanitary House Keeping Services at their Hospital. There is a dispute regarding non payment from the customer to this entity for an amount of ₹ 75.46 Lakhs This matter has been referred for arbitration.

41 Other Commitments

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 164.84 Lakhs (*Previous Year ₹ 208.85 Lakhs*) (net of advances).
- (b) Service performance ₹ 262.48 Lakhs (*Previous Year ₹ 420.01 Lakhs*).
- (c) Product performance ₹ 871.94 Lakhs (*Previous Year ₹ 1,226.47 Lakhs*).
- (d) Performance Guarantee ₹ 5,253.22 Lakhs (*Previous Year ₹ 5,093.92 Lakhs*).

42. Details of Provisions

The Group has made provisions for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

₹ in Lakhs

Particulars	As at 31st Mar., 2017	Additions	Utilization	Reversal (withdrawn as no longer required)	As at 31st Mar., 2018
Provision for warranty (refer Note 1 below)	1,301.62	1,029.94	(933.47)	(165.14)	1,232.95
	<i>1,511.75</i>	<i>1,038.21</i>	<i>(1,083.14)</i>	<i>(165.20)</i>	<i>1,301.62</i>
Other Provision (refer Note 2 below)	1,124.96	-	(131.60)	(44.46)	948.90
	<i>887.59</i>	<i>900.00</i>	<i>-</i>	<i>(662.63)</i>	<i>1,124.96</i>
Total	2,426.58	1,029.94	(1,065.07)	(209.60)	2,181.85
<i>Previous Year</i>	<i>2,399.34</i>	<i>1,938.21</i>	<i>(1,083.14)</i>	<i>(827.82)</i>	<i>2,426.58</i>

Note:

- The Group gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature of frequency and average cost of warranty claims.
- Other provisions include provision for contingencies as disclosed above which represent the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax and legal matters. The outflow would depend on settlement / conclusion of respective matters / cessation of expected events with respective authorities.

Figures in italics relate to the previous year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

43. Employee Benefits :

Brief description of the Plans:

The Group has various schemes for long term benefits such as Provident Fund (in case of certain employees), Superannuation, Gratuity, Employees State Insurance Fund (ESIC), Employees Pension Scheme, Leave Encashment, Pension and Long Term Service Award and Post Retirement Medical and Non Compete Fees. The Group's defined contribution plans are Provident Fund (in case of certain employees), Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Group has no further obligation beyond making the contributions to such plans. The Group's defined benefit plans include Provident fund (in case of certain employees), Gratuity, Post retirement medical and Non Compete fees.

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The Group operates a defined benefit gratuity plan for employees of certain subsidiaries. The gratuity liability is funded and in some cases, it is unfunded. In case of certain Subsidiaries, where the gratuity liability is funded, the Group contributes to a separate trust administered by the Group towards meeting the Gratuity obligation. The Group's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report, which comprise actuarial gains and losses are recognised in OCI.

In case of certain Subsidiaries, the group has obtained insurance policy with the Life Insurance Corporation of India(LIC) and makes an annual contribution to LIC for amounts notified by LIC. The group accounts for gratuity benefits payable in future based on the calculation performed annually by a qualified actuary using the projected unit credit method at the end of the year. Actuarial Gains and Losses are recognized in OCI.

The Group's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.

A large portion of assets consists of government and corporate bonds, although the Group also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Group make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the Government Family Pension Fund / provident fund managed by the trust set up by the Group which are charged to the statement of profit and loss as incurred.

Under the post-retirement medical and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Group accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Group to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

I. Charge to the Statement of Profit and Loss based on contributions: ₹ in Lakhs

Particulars	Year Ended	Year Ended
	31st Mar., 2018	31st Mar., 2017
Employer's contribution to Provident Fund	105.88	107.31
Employer's contribution to Pension Fund	809.57	765.44
Employer's contribution to Superannuation Fund	220.85	222.32
Employer's contribution to ESIC and other funds	23.43	18.48

Included in Contribution to Provident and Other Funds (refer Note 31)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

II. Disclosures for defined benefit plans based on actuarial valuation reports as on 31st March, 2018.

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Present Value of Defined Benefit Obligation as at beginning of the year	2,716.66	2,602.12	236.85	183.95	362.05	376.94
Interest Cost	200.31	208.57	15.77	14.09	26.14	29.64
Current Service Cost	189.54	160.66	32.76	27.66	-	-
Past Service Cost	17.23	-	6.18	-	-	-
Benefits Paid	(761.33)	(430.78)	(15.00)	(17.56)	(49.98)	(52.58)
Remeasurement of defined benefit obligation	(3.17)	176.09	36.50	28.71	(4.10)	8.05
Present Value of Defined Benefit Obligation as at the end of the year	2,359.24	2,716.66	313.06	236.85	334.11	362.05

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Fair Value of Plan Assets as at beginning of the year	2,451.33	2,357.51	-	-	-	-
Return on Plan Assets (excluding interest income/ expense)	(1.74)	22.22	-	-	-	-
Interest income	176.49	185.85	-	-	-	-
Remeasurement gain	-	-	-	-	-	-
Contributions from employer	191.11	307.01	-	-	-	-
Benefits Paid	(761.33)	(421.26)	-	-	-	-
Fair Value of Plan Assets as at the end of the year	2,055.86	2,451.33	-	-	-	-

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Present Value of Defined Benefit Obligation as at the end of the year	2,359.24	2,716.66	313.06	236.85	334.11	362.05
Fair Value of Plan Assets as at end of the year	2,055.86	2,451.33	-	-	-	-
Net Liability recognised in the Balance Sheet	303.38	265.33	313.06	236.85	334.11	362.05

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Current Service Cost	189.54	160.66	32.76	27.66	-	-
Past service cost	17.23	-	6.18	-	-	-
Net interest	23.82	22.72	15.77	14.09	26.14	29.64
Return on Plan Assets (excluding interest income/ interest expense)	1.74	(22.22)	-	-	-	-
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	232.33	161.16	54.71	41.75	26.14	29.64

*Included in Salaries and Wages, Contribution to Provident and Other Funds, Gratuity Fund (refer Note 31)

E. Expenses Recognized in the Other Comprehensive Income (OCI)

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (non funded)	
	Year Ended		Year Ended		Year Ended	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	22.16	2.23	-	4.26	-	-
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in financial assumptions	(66.04)	145.11	36.09	32.41	(8.04)	10.10
Actuarial (Gains)/Losses on Obligation For the Year - Due to experience adjustment	40.71	28.51	0.41	(7.96)	3.94	(2.05)
Net (Income)/Expense For the Year Recognized in OCI	(3.17)	175.85	36.50	28.71	(4.10)	8.05

F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at		As at	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Discount Rate (per annum)	7.73% to 7.87%	7.22% to 7.54%	7.65% - 7.86%	7.20% - 7.22%
Salary escalation rate	3.50% to 8.00%	3.50% to 6.00%	0.00%	0.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

G. Movements in the present value of defined benefit obligation are as follows:

₹ in Lakhs

Particulars	Gratuity (funded)		Gratuity (non-funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at		As at		As at	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Opening Net Liability	265.33	244.60	236.85	183.95	362.05	376.94
Expenses Recognized in Statement of Profit or Loss	232.33	161.16	54.71	41.75	26.14	29.64
Expenses Recognized in OCI	(3.17)	175.85	36.50	28.71	(4.10)	8.05
(Benefit Paid Directly by the Employer)	-	(9.27)	(15.00)	(17.56)	(49.98)	(52.58)
(Employer's Contribution)	(191.11)	(307.01)	-	-	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	303.38	265.33	313.06	236.85	334.11	362.05

H. Category of Assets

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
	Gratuity (Funded)	Gratuity (Funded)
Government of India Assets (Central and State)	393.00	351.49
Special Deposits Scheme	41.03	41.03
Debt Instruments	473.34	741.83
Corporate Bonds	107.21	133.25
Cash And Cash Equivalents	-	86.78
Insurance fund	759.01	742.15
Asset-Backed Securities	-	-
Mutual Fund	32.10	-
State Government Securities	233.84	354.82
Others	16.35	-
Total	2,055.88	2,451.35

I. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the year ended 31st Mar., 2018	Estimated for the year ended 31st Mar., 2017	Estimated for the year ended 31st Mar., 2018	Estimated for the year ended 31st Mar., 2017
	Gratuity		Others (Post Retirement medical and non compete fees)	
1st Following Year	428.92	751.97	58.44	62.40
2nd Following Year	191.45	175.69	58.44	62.40
3rd Following Year	238.25	197.06	58.44	62.40
4th Following Year	197.33	196.64	58.44	62.40
5th Following Year	239.18	160.48	58.44	62.40
Sum of Years 6 and above	3,951.11	4,294.68	292.22	312.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

J. Sensitivity Analysis

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st Mar., 2018	As at 31st Mar., 2017
Impact of +1% Change in Rate of Discounting	(156.89)	(175.65)
Impact of -1% Change in Rate of Discounting	178.13	203.67
Impact of +1% Change in Rate of Salary Increase	182.09	208.07
Impact of -1% Change in Rate of Salary Increase	86.33	(182.02)
Impact of +1% Change in Rate of Employee Turnover	55.39	55.04
Impact of -1% Change in Rate of Employee Turnover	56.47	(62.85)

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

The parent and Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. In the case of the parent company, the fund has the form of a trust and it is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets including investments of the fund in accordance with the norms prescribed by the Government of India. In Case of certain Indian subsidiaries of the group, the fund is managed by Life Insurance Corporation (LIC) and every year the required contribution amount is paid to LIC.

The aforesaid disclosure have been made to the extent information available in the individual financial statements of the Company and its subsidiaries. Accordingly, the net liability and expense in respect of gratuity and other post retirement benefits disclosed in Note 21A and Note 21B would not reconcile with the figures disclosed above.

K. Provident Fund

The Group has established Provident Fund namely Forbes & Company Ltd. Employees Provident Fund and Eureka Forbes Limited Employees' Provident Fund, in respect of eligible employees to which both the employee and employer make

contribution equal to 12% of the employees' basic salary respectively. The Group's contribution to the provident fund for eligible employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Group. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Employer's contribution to the provident fund	425.85	462.68

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Approach used	Deterministic	<i>Deterministic</i>
Increase in compensation levels	3.50% to 8.00%	<i>3.50% to 6.00%</i>
Discount Rate	7.80% to 7.87%	<i>7.22% to 7.54%</i>
Attrition Rate	2.00% to 8.00%	<i>2.00%</i>
Weighted Average Yield	8.19% to 8.75%	<i>8.19% to 8.75%</i>
Weighted Average YTM	8.48% to 8.60%	<i>8.48% to 8.60%</i>
Reinvestment Period on Maturity	5 years	<i>5 years</i>
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	<i>Indian Assured Lives Mortality (2006-08) Ultimate</i>

K. The liability for Compensated absences (Non – Funded) as at year end is ₹ 831.72 Lakhs (*Previous year ₹ 840.55 Lakhs*) (refer Note 21B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

44 Financial Instruments**44.1 Capital Management**

The Group manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of net debt (borrowings as detailed in Notes 19, 20B and 24 offset by cash and bank balances) and total equity of the Group.

The Group determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term / short-term borrowings. The Group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

	₹ in Lakhs	
The capital components of the Group are as given below:	As at 31st Mar., 2018	As at 31st Mar., 2017
Total Equity	43,503.62	44,630.71
Short Term Borrowings	29,914.45	29,168.79
Long Term Borrowings (includes accrued interest)	74,184.58	78,036.21
Current Maturities of Long Term Borrowings	15,452.16	9,820.20
Total Debt	1,19,551.19	1,17,025.20
Cash and Cash equivalents	13,699.70	19,034.81
Bank balances other than above	422.33	3,259.22
Net Debt	1,05,429.16	94,731.17
Debt Equity ratio	2.06	1.97

Debt Equity Ratio = Long Term Borrowings (including current maturities) / Total Equity

44.2 Financial risk management objectives

The Group monitors and manages the financial risks to the operations of the Group. These risks include market risk, credit risk and liquidity risk.

44.3 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (refer Note 44.7) and interest rates (refer Note 44.6). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

44.4 Credit risk management**Trade receivables**

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss or gain. The Group uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Group is supported by low level of past default and hence the credit risk is perceived to be low.

Other financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Group is exposed to credit risk in relation to the financial guarantees given to banks on behalf of related parties of the Group. The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on is ₹ 2,906.42 Lakhs as at 31st Mar., 2018 (*Previous Year ₹ 2,899.89 Lakhs*). Based on expectations at the end of the reporting period, the Group considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

44.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Group manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

The Group has undrawn credit lines available as at the end of the reporting period of over ₹ 3,652.49 Lakhs (*Previous Year ₹ 3,716.31 Lakhs*).

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include principal and interest cash flows. The amounts reflected are gross and undiscounted.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date

	As at 31st Mar., 2018		
	Upto 1 year	1 to 5 years	5 years and above
Borrowings (includes interest)	48,481.49	70,657.04	5,998.34
Trade Payables	40,116.44	-	-
Other Financial Liabilities	7,945.51	561.00	-
	96,543.44	71,218.04	5,998.34

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date

	As at 31st Mar., 2017		
	Upto 1 year	1 to 5 years	5 years and above
<i>Borrowings (includes interest)</i>	42,366.23	80,740.04	6,455.46
<i>Trade Payables</i>	36,634.41	-	-
<i>Other Financial Liabilities</i>	8,264.72	850.05	-
	87,265.36	81,590.09	6,455.46

44.6 Interest Rate Risk and Sensitivity Analysis

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The sensitivity analyses below have been determined based on the exposure to interest rates for borrowings at the end of the reporting period. For floating rate borrowings the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year and the rates are reset as per the applicable reset dates. The basis risk between various benchmarks used to reset the floating rate borrowings has been considered to be insignificant.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's

- Profit for the year ended 31st March, 2018 would decrease/increase by ₹ 383.18 Lakhs. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.
- Profit for the year ended 31st March, 2017 would decrease/increase by ₹ 418.46 Lakhs. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

44.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Group is exposed to Currency Risk arising from its trade exposures and capital/loan receipt/payments denominated, in other than the Functional Currency. The Group has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Group has defined strategies for addressing the risks for each category of exposures (e.g. for exports, for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31st Mar., 2018				As at 31st Mar., 2017			
	Advances from customers and Other Liabilities		Trade receivables		Advances from customers and Other Liabilities		Trade receivables	
	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs
USD	0.20	13.00	24.96	1,619.95	2.01	130.28	34.21	2,215.53
GBP	-	-	1.11	101.08	0.02	1.62	1.26	102.36
EUR	71.03	5,672.61	1.77	141.76	0.01	0.83	1.24	85.92

Currencies	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Security Deposits		Security Deposits	
	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs
USD	10.27	667.22	7.04	456.19
CHF	-	-	-	-

Currencies	As at 31st Mar., 2018				As at 31st Mar., 2017			
	Advances to vendors and Other Advances		Trade payables		Advances to vendors and Other Advances		Trade payables	
	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs	FC (Amount in Lakhs)	₹ in Lakhs
USD	1.58	102.43	42.96	2,799.99	4.57	296.16	25.85	1,692.35
EUR	0.40	31.97	6.58	527.28	35.73	2,470.35	3.85	268.71
CHF	-	-	0.17	11.31	0.02	1.02	0.03	2.04
GBP	-	-	-*	0.08	0.01	0.85	-	0.07
CNY	-	-	-	-	0.32	3.03	-	-
AUD	-	-	-*	0.14	-	-	-	-
THB	0.93	1.94	-	-	-	-	-	-

* Amount is below rounding off norm adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

44.7 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

Currencies	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Loan from Banks		Loan from Banks	
	FC (Amount in Lakhs)	₹ In Lakhs	FC (Amount in Lakhs)	₹ In Lakhs
USD	377.28	24,503.41	310.93	20,147.71
EURO	116.91	9,337.09	164.25	11,355.49

Currencies	As at 31st Mar., 2018		As at 31st Mar., 2017	
	Current Account Balances		Current Account Balances	
	FC (Amount in Lakhs)	₹ In Lakhs	FC (Amount in Lakhs)	₹ In Lakhs
USD	26.61	1,728.13	83.28	5,397.03

Of the above, the Group is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

31st March, 2018

Currencies	Increase/Decrease	Total Assets in FC (in Lakhs)	Total Liabilities in FC (in Lakhs)	Impact on Profit or Loss for the year (₹ in Lakhs)
USD	Increase by 5%	63.42	420.43	(1,159.94)
USD	Decrease by 5%	63.42	420.43	1,159.94
GBP	Increase by 5%	1.11	-	5.05
GBP	Decrease by 5%	1.11	-	(5.05)
EUR	Increase by 5%	2.17	194.52	(768.17)
EUR	Decrease by 5%	2.17	194.52	768.17

31st March, 2017

Currencies	Increase/Decrease	Total Assets in FC (in Lakhs)	Total Liabilities in FC (in Lakhs)	Impact on Profit or Loss for the year (₹ in Lakhs)
USD	Increase by 5%	45.82	27.86	58.20
USD	Decrease by 5%	45.82	27.86	(58.20)
GBP	Increase by 5%	1.27	0.02	5.31
GBP	Decrease by 5%	1.27	0.02	(5.31)
EUR	Increase by 5%	36.97	3.86	114.46
EUR	Decrease by 5%	36.97	3.86	(114.46)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

44.8 Fair Value Disclosures

₹ in Lakhs

a) Categories of Financial Instruments:	As at 31st Mar., 2018			As at 31st Mar., 2017		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Financial Assets						
Investments *	77.85	271.58	3.92	16.45	538.67	3.92
Loans	-	-	3,751.52	-	-	3,265.95
Cash and Bank Balances	-	-	14,122.03	-	-	22,294.03
Trade Receivables	-	-	46,486.38	-	-	50,386.63
Other Financial Assets	-	-	8,273.34	-	-	7,510.46
	77.85	271.58	72,637.19	16.45	538.67	83,460.99
Financial liabilities						
Borrowings	-	-	1,03,446.35	-	-	1,06,620.37
Trade Payables	-	-	40,116.44	-	-	36,634.41
Other Financial Liabilities	-	-	24,611.35	-	-	19,519.60
	-	-	1,68,174.14	-	-	1,62,774.38

* Excludes investment in equity shares of Joint ventures amounting to ₹ 7,676.73 lakhs (Previous Year ₹ 6,716.78 lakhs) accounted using equity method.

b) **Fair Value Hierarchy and Method of Valuation**

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

	As at 31st Mar., 2018				
	Carrying value	Level 1	Level 2	Level 3	Total
Financial Assets					
Measured at FVTPL					
Investments					
Investments in Equity Instruments	18.13	17.48	-	0.65	18.13
Investments in Debentures	57.81	-	-	57.81	57.81
Investments in Mutual Funds	1.91	1.91	-	-	1.91
Measured at FVOCI					
Investments					
Investments in Equity Instruments	271.58	3.22	-	268.36	271.58

₹ in Lakhs

	As at 31st Mar., 2017				
	Carrying value	Level 1	Level 2	Level 3	Total
<i>Financial Assets</i>					
Measured at FVTPL					
Investments					
Investments in Equity Instruments	14.69	14.04	-	0.65	14.69
Investments in Mutual Funds	1.76	1.76	-	-	1.76
Measured at FVOCI					
Investments					
Investments in Equity Instruments	538.67	303.56	-	235.11	538.67

Notes:

- i. There are no transfers between level 1, level 2 and level 3 during the year.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2018 and 31st March, 2017.

₹ in Lakhs

	<u>Total</u>
As at 31st March, 2016	185.07
Fair value gain/ (loss) recognised in Other Comprehensive Income	50.69
As at 31st March, 2017	235.76
Fair value gain/ (loss) recognised in the Statement of Profit and Loss	17.81
Fair value gain/ (loss) recognised in Other Comprehensive Income	95.76
Purchases made during the year	40.00
Sales made during the year	(62.51)
As at 31st March, 2018	<u>326.82</u>

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable Inputs	Relationship of unobservable Inputs to fair value
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

d) Valuation Process

The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

- 1) the use of quoted market prices or dealer quotes for similar instruments.
- 2) All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- 3) The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The Group uses its Judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Group consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

45. Segment reporting

The Chief Operating Decision maker of the Group examines Group's performance both from a product and from a geographic perspective. From a product perspective, the management has identified five reportable segments at group level as follows:

The Group has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Health, Hygiene, Safety Products and its services", "Engineering", "Real estate", "IT Enabled Services and Products" and "Shipping and Logistics Services" segment. The Group caters to the needs of the domestic and export markets.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Health, Hygiene, Safety Products and its services includes manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguisher etc.

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

IT Enabled Services and Products includes trading : of Note courting machines, electronic cash register, point of sale machine, manufacturing of different types of kiosks, Forbes Xpress consisting of sale of mobile recharge, bill payments and money transfer, transaction network and services comprising of maintenance, servicing and support services for kiosks and other devices.

Shipping and Logistics Services segment carries on business of ship owners, charterers etc

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

₹ in Lakhs

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Segment Revenue	2,31,744.44	2,38,456.56	18,596.85	17,360.84	11,203.04	11,039.24	13,161.35	25,136.17	8,102.49	10,352.98
Inter segment revenue	27.01	25.77	-	1.88	81.11	68.13	-	56.03	-	182.99
Revenue from operations	2,31,771.45	2,38,482.33	18,596.85	17,362.72	11,284.15	11,107.37	13,161.35	25,192.20	8,102.49	10,535.97
Segment Results										
Segment Results - after exceptional items	2,940.38	3,260.69	2,356.63	1,800.93	4,556.67	5,311.10	101.20	(429.79)	24.41	10,036.84 *
Add: Unallocated income (net of unallocated expenses)										
Add: Exceptional items other than related to segments (net)										
Profit before tax and finance costs										
Less: Finance costs										
Profit/(Loss) before tax										
Provision for taxation:										
Tax expense (current & deferred)										
Excess provision for tax relating to prior years										
Profit/(Loss) after tax										
Share of profit of joint ventures										
Profit/(Loss) for the year										
Capital employed										
Segment assets	1,66,477.86	1,67,753.71	11,967.94	9,834.85	14,105.12	11,967.34	20,324.14	21,930.94	42,205.76	37,598.43
Unallocated corporate assets										
Total assets	1,66,477.86	1,67,753.71	11,967.94	9,834.85	14,105.12	11,967.34	20,324.14	21,930.94	42,205.76	37,598.43
Segment liabilities	1,59,425.83	1,58,223.99	4,394.88	3,806.02	8,537.32	6,891.94	2,955.65	2,904.48	27,245.85	21,494.12
Unallocated corporate liabilities										
Total liabilities	1,59,425.83	1,58,223.99	4,394.88	3,806.02	8,537.32	6,891.94	2,955.65	2,904.48	27,245.85	21,494.12
Capital employed	7,052.03	9,529.72	7,573.06	6,028.83	5,567.80	5,075.40	17,368.49	19,026.45	14,959.91	16,104.31
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	3,193.13	5,633.83	1,248.42	1,392.60	77.55	80.50	2,069.75	2,358.13	9,696.37	37.74
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress										
Total capital expenditure	3,193.13	5,633.83	1,248.42	1,392.60	77.55	80.50	2,069.75	2,358.13	9,696.37	37.74
Segment depreciation / amortisation/ impairment	3,718.03	3,754.71	531.48	435.27	227.54	109.03	755.71	466.63	2,229.08	2,202.26
Unallocated corporate depreciation / amortisation/ impairment										
Total depreciation / amortisation/ impairment	3,718.03	3,754.71	531.48	435.27	227.54	109.03	755.71	466.63	2,229.08	2,202.26
Non-cash segment expenses other than depreciation	1,346.97	2,346.09	12.24	86.99	2.47	3.49	607.88	464.58	-	-
Unallocated non-cash expenses other than depreciation										
Total non-cash expenses other than depreciation	1,346.97	2,346.09	12.24	86.99	2.47	3.49	607.88	464.58	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

(a) Information about primary business segments for the year: ₹ in Lakhs

Particulars	Others		Total		Elimination		Total	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Segment Revenue	-	-	2,82,808.17	3,02,345.79	-	-	2,82,808.17	3,02,345.79
Inter segment revenue	102.30	150.60	210.42	485.40	(210.42)	(485.40)	-	-
Revenue from operations	102.30	150.60	2,83,018.59	3,02,831.19	(210.42)	(485.40)	2,82,808.17	3,02,345.79
Segment Results	(95.09)	(52.52)	9,884.20	19,927.25	-	-	9,884.20	19,927.25
Segment Results - after exceptional items							(1,680.73)	(2,574.77)
Add: Unallocated income (net of unallocated expenses)							-	(397.31)
Add: Exceptional items other than related to segments (net)							8,203.47	16,955.17
Profit before tax and finance costs							9,555.96	7,440.70
Less: Finance costs							(1,352.49)	9,514.47
Profit/(Loss) before tax							2,763.41	2,450.49
Provision for taxation:							45.64	(5.69)
Tax expense (current & deferred)							(4,161.54)	7,069.67
Excess provision for tax relating to prior years							940.66	1,864.80
Profit/(Loss) after tax							(3,220.88)	8,934.47
Share of profit of joint ventures								
Profit/(Loss) for the year								
Capital employed								
Segment assets	24.84	15.29	2,55,105.66	2,49,100.56			2,55,105.66	2,49,100.56
Unallocated corporate assets							21,191.03	21,873.55
Total assets	24.84	15.29	2,55,105.66	2,49,100.56			2,76,296.69	2,70,974.11
Segment liabilities	4.98	0.61	2,02,564.51	1,93,321.16			2,02,564.51	1,93,321.16
Unallocated corporate liabilities							30,228.56	33,022.24
Total liabilities	4.98	0.61	2,02,564.51	1,93,321.16			2,32,793.07	2,26,343.40
Capital employed	19.86	14.68	52,541.15	55,779.40			43,503.62	44,630.71
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	-	-	16,285.22	9,502.80			16,285.22	9,502.80
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress							1,099.43	168.09
Total capital expenditure	-	-	16,285.22	9,502.80			17,384.65	9,670.89
Segment depreciation / amortisation/ impairment	-	0.23	7,461.84	6,968.13			7,461.84	6,968.13
Unallocated corporate depreciation / amortisation/ impairment							242.73	97.50
Total depreciation / amortisation/ impairment	-	0.23	7,461.84	6,968.13			7,704.57	7,065.63
Non-cash segment expenses other than depreciation	-	-	1,969.56	2,901.15			1,969.56	2,901.15
Unallocated non-cash expenses other than depreciation							7.53	1,217.38
Total non-cash expenses other than depreciation	-	-	1,969.56	2,901.15			1,977.09	4,118.53

(b) Geographical information	Within India		Outside India		Unallocated		Total	
	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017	31st Mar., 2018	31st Mar., 2017
Revenue	2,40,776.15	2,59,171.25	42,032.02	43,174.54	-	-	2,82,808.17	3,02,345.79
Total Assets	1,88,506.74	1,86,148.98	66,598.92	62,951.58	21,191.03	21,873.55	2,76,296.69	2,70,974.11
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	16,285.22	9,502.80	-	-	1,099.43	168.09	17,384.65	9,670.89

*Includes ₹ 3,258.07 Lakhs towards gain on cessation of Subsidiary.

(c) Information about major customer

No single customer contributed 10% or more to the group's revenue for the year ended 31st March, 2018 and 31st March, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

46. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures
Current Year

Name of the Company	Particulars							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
Parent								
Forbes & Company Limited	64.03	27,855.75	(126.98)	4,090.01	0.10	2.74	(815.48)	4,092.75
Subsidiaries								
Indian								
1 Eureka Forbes Limited	112.06	48,749.70	418.21	(13,470.01)	1.54	41.90	2,675.55	(13,428.11)
2 Forbes Facility Services Private Limited	0.94	410.18	(3.28)	105.51	(0.72)	(19.46)	(17.15)	86.05
3 Aquadiagnostics Water Research & Technology Center Limited	0.34	147.90	(0.29)	9.22	(0.01)	(0.31)	(1.77)	8.91
4 Forbes Enviro Solutions Limited	0.31	132.84	4.13	(132.91)	0.11	2.91	25.90	(130.00)
5 Euro Forbes Financial Services Limited	0.01	2.46	0.01	(0.28)	-	-	0.05	(0.28)
6 Volkart Fleming Shipping & Services Limited	1.24	539.41	(1.24)	39.97	-	-	(7.96)	39.97
7 Forbes Campbell Finance Limited	14.86	6,464.80	0.81	(26.06)	81.36	2,212.10	(435.57)	2,186.04
8 Forbes Campbell Services Limited	0.04	16.88	(0.14)	4.61	-	-	(0.92)	4.61
9 Forbes Technosys Limited	3.66	1,591.44	38.28	(1,233.02)	(0.27)	(7.44)	247.16	(1,240.46)
10 Shapoorji Pallonji Forbes Shipping Limited	35.94	15,637.13	49.05	(1,579.74)	-	-	314.76	(1,579.74)
11 Campbell Properties & Hospitality Services Limited	0.42	181.41	(0.01)	0.20	-	-	(0.04)	0.20
Foreign								
1 EFL Mauritius Limited	37.76	16,425.33	0.25	(8.20)	(343.12)	(9,329.34)	1,860.50	(9,337.54)
2 Euro Forbes Limited, Dubai	7.97	3,465.14	18.35	(591.10)	(9.27)	(251.99)	167.99	(843.09)
3 Forbes Lux FZCO	4.28	1,862.39	23.30	(750.58)	(6.26)	(170.11)	183.45	(920.69)
4 Lux International AG (LIAG) Group	(14.09)	(6,129.59)	204.07	(6,572.90)	37.89	1,030.26	1,104.37	(5,542.64)
5 Forbes Lux International AG (FLIAG) Group	53.79	23,400.58	458.83	(14,778.45)	9.09	247.07	2,895.38	(14,531.38)
Joint Ventures								
Indian								
1 Forbes Bumi Armada Limited	1.24	537.68	(1.78)	57.19	-*	0.02	(11.40)	57.21
2 Forbes Concept Hospitality Services Private Limited	0.02	6.69	(0.01)	0.29	-	-	(0.06)	0.29
3 Forbes Aquatech Limited	1.64	713.37	(3.12)	100.57	-	-	(20.04)	100.57
4 Infinite Water Solutions Private Limited	4.46	1,940.07	(9.55)	307.61	-	-	(61.29)	307.61
5 Aquaignis Technologies Private Limited	0.44	192.26	(0.23)	7.38	-	-	(1.47)	7.38
Foreign								
1 AMC Cookware PTY Limited	9.85	4,286.66	(14.52)	467.62	-	-	(93.17)	467.62
Adjustment/ elimination on consolidation	(268.62)	(1,16,849.55)	(993.78)	32,008.80	330.91	8,997.30	(8,170.45)	41,006.10
Non-controlling Interest in all subsidiaries	27.41	11,922.69	39.64	(1,276.61)	(1.35)	(36.65)	261.67	(1,313.26)
Total	100.00	43,503.62	100.00	(3,220.88)	100.00	2,719.00	100.00	(501.88)

* Percentage is below the rounding off norm adopted by Group.

Includes only those subsidiaries, Joint ventures and Associates which contribute to the Group share in the consolidated Ind AS financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Previous Year

Name of the Company	Particulars							
	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ in Lakhs	As % of consolidated profit or loss	Amount ₹ in Lakhs	As % of consolidated other comprehensive income	Amount ₹ in Lakhs	As % of total comprehensive income	Amount ₹ in Lakhs
Parent								
Forbes & Company Limited	54.11	24,151.12	108.13	9,661.13	(4.37)	(43.76)	96.79	9,617.37
Subsidiaries								
Indian								
1 Eureka Forbes Limited	139.38	62,207.76	42.91	3,834.00	2.45	24.58	38.83	3,858.58
2 Forbes Facility Services Private Limited	0.73	324.12	1.85	164.85	(1.90)	(19.08)	1.47	145.77
3 Aquadiagnostics Water Research & Technology Center Limited	0.31	138.99	0.07	6.02	-	-	0.06	6.02
4 Forbes Enviro Solutions Limited	0.59	262.84	0.83	74.22	(0.16)	(1.59)	0.73	72.63
5 Euro Forbes Financial Services Limited	0.01	2.74	-*	(0.18)	-	-	-*	(0.18)
6 Volkart Fleming Shipping & Services Limited	1.12	499.44	0.45	40.26	-	-	0.41	40.26
7 Forbes Campbell Finance Limited	9.59	4,278.76	(0.34)	(30.46)	91.63	917.93	8.93	887.47
8 Forbes Campbell Services Limited	0.03	12.28	0.04	3.76	-	-	0.04	3.76
9 Forbes Technosys Limited	(3.30)	(1,474.21)	(17.99)	(1,607.15)	(0.02)	(0.21)	(16.18)	(1,607.36)
10 Shapoorji Pallonji Forbes Shipping Limited	38.58	17,216.58	7.32	653.99	-	-	6.58	653.99
11 Campbell Properties & Hospitality Services Limited	0.41	181.21	0.04	3.65	-	-	0.04	3.65
Foreign								
1 EFL Mauritius Limited	57.72	25,762.87	(0.09)	(7.74)	1.33	13.35	0.06	5.61
2 Euro Forbes Limited, Dubai	9.65	4,308.23	(4.06)	(362.91)	8.45	84.66	(2.80)	(278.25)
3 Forbes Lux FZCO	6.24	2,783.09	(23.58)	(2,106.69)	11.04	110.56	(20.09)	(1,996.13)
4 Lux International AG (LLAG) Group	(19.45)	(8,679.48)	(71.17)	(6,358.76)	28.18	282.26	(61.15)	(6,076.50)
5 Forbes Lux International AG (FLIAG) Group	84.99	37,931.96	(5.04)	(449.90)	2.68	26.85	(4.26)	(423.05)
Joint Ventures								
Indian								
1 Forbes Bumi Armada Limited	1.08	480.47	0.56	50.40	0.07	0.67	0.51	51.07
2 Forbes Concept Hospitality Services Private Limited	0.01	6.40	-*	0.31	-	-	-*	0.31
3 Forbes Aquatech Limited	1.37	612.80	1.63	145.21	0.01	0.06	1.46	145.27
4 Infinite Water Solutions Private Limited	3.66	1,632.46	4.51	403.16	(0.02)	(0.18)	4.06	402.98
5 Aquaignis Technologies Private Limited	0.41	184.88	(0.06)	(5.41)	(0.01)	(0.08)	(0.06)	(5.49)
6 Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited)	-	-	3.95	352.95	(1.57)	(15.72)	3.39	337.23
Foreign								
1 AMC Cookware PTY Limited	8.51	3,799.77	10.28	918.18	-	-	9.24	918.18
Adjustment/ elimination on consolidation	(325.41)	(1,45,230.33)	34.31	3,065.09	(37.79)	(378.50)	27.04	2,686.59
Non-controlling Interest in all subsidiaries	29.66	13,235.95	5.45	486.49	-	-	4.90	486.49
Total	100.00	44,630.71	100.00	8,934.47	100.00	1,001.80	100.00	9,936.27

* Percentage is below the rounding off norm adopted by Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

47. Related Party Disclosures

Name of the Related Parties and Description of Relationship:

(A) Holding Company

- 1 Shapoorji Pallonji & Company Private Limited

(B) Fellow Subsidiaries :(where there are transactions)

- 1 Afcons Infrastructure Limited
- 2 Transtonnelstroy Afcons Joint Venture
- 3 Eureka Forbes Institute of Environment (Trust)
- 4 Forvol International Services Limited
- 5 Shapoorji Pallonji Investment Advisors Private Limited
- 6 Gokak Textiles Limited
- 7 G.S. Enterprise
- 8 Joyville Shapoorji Housing Private Limited
- 9 Lucrative Properties Private Limited
- 10 Next Gen Publishing Limited
- 11 Relationship Properties Private Limited
- 12 Samalpatti Power Co. Private Limited
- 13 SD Corporation Private Limited
- 14 Shapoorji Pallonji Infrastructure Capital Company Private Limited
- 15 Shapoorji Pallonji Finance Limited
- 16 Shapoorji Pallonji Oil & Gas Private Limited
- 17 Sterling Motors
- 18 Sterling and Wilson Private Limited
- 19 SP Fabricators Private Limited
- 20 SP Armada Oil Exploration Private Limited
- 21 Shapoorji Pallonji Rural Solutions Private Limited
- 22 United Motors (India) Private Limited
- 23 Shapoorji Pallonji Energy (Gujarat) Private Limited

(C) Associate Companies:(where there are transactions)

- 1 Neuvo Consultancy Services Private Limited

(D) Joint Ventures :(where there are transactions)

- 1 Aquaignis Technologies Private Limited (Joint Venture of Eureka Forbes Limited)
- 2 Edumetry Inc
- 3 Forbes Aquatech Limited (Joint venture of Eureka Forbes Limited)
- 4 Forbes Bumi Armada Limited
- 5 Infinite Water Solutions Private Limited (Joint venture of Eureka Forbes Limited)

(E) Joint Ventures of Holding Company / Fellow Subsidiaries :(where there are transactions)

- 1 Shapoorji Pallonji Bumi Armada Offshore Limited
(formerly known as Forbes Bumi Armada Offshore Limited) (w.e.f. 14.10.2016)
- 2 HPCL Shapoorji Energy Private Limited

(F) Key Management Personnel :

- 1 Managing Director of Forbes & Company Limited, Mr. Mahesh Tahilyani (w.e.f. 28th Apr.,2016)
- 2 Managing Director of Forbes & Company Limited, Mr. Ashok Barat (Upto 27th Apr., 2016)
- 3 Executive Vice Chairman of Eureka Forbes Limited, Mr. S.L. Goklaney (Upto 30th Sep., 2017)
- 4 Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff (w.e.f. 27th Jun., 2017)

Non Executive Directors

Shapoor P.Mistry	Chairman
Jai L. Mavani	Non-Executive Director
Jimmy J. Parakh	Non-Executive Director (upto 28.06.2016)
Kaiwan D. Kalyaniwalla	Independent Director
D. Sivanandhan	Independent Director

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

Aslesha Gowariker	Independent Director (w.e.f. 30.06.2016)
T.R. Doongaji	Independent Director (upto 04.05.2016)
Kannan Dasaratharaman	Independent Director (upto 06.05.2016)

(G) **Post employment benefit plan**

Forbes & Company Limited Employees Provident Fund
Eureka Forbes Limited Employees Gratuity Fund
Eureka Forbes Limited Employees Provident Fund
Eureka Forbes Limited Managing Staff Superannuation Scheme

Current Year(b) **transactions/ balances with above mentioned related parties**

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	432.23	8.11	211.64	4,121.52	-	-	4,773.50
2	Advances received from customer	-	122.12	-	0.59	-	-	122.71
3	Interest accrued	1,014.73	45.85	-	-	-	-	1,060.58
4	Trade Receivables	246.74	480.63	-	1.53	17.37	-	746.27
5	Contratually reimbursable expense	73.17	76.98	-	-	-	-	150.15
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	1,000.00
7	Long Term Loans and Advances	-	-	-	-	-	-	-
8	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-
9	Provision for Doubtful Trade Receivables	-	10.18	-	-	-	-	10.18
10	Unbilled Revenue	-	456.35	-	-	-	-	456.35
11	Deposits Payable	-	249.25	-	7.51	23.79	-	280.55
12	Other Payables	66.29	-	-	-	-	-	66.29
13	Deposits Receivable	-	-	-	-	-	-	-
14	Inter-corporate deposits receivable	-	-	-	-	-	-	-
15	Investment in Debentures	-	-	-	-	-	-	-
16	Guarantees Given	-	-	-	-	2,906.42	-	2,906.42
17	Guarantees Taken	3,247.40	-	-	-	-	-	3,247.40
	Transactions							
	Purchases / Services							
18	Purchase of Goods and Materials	-	-	187.28	8,615.13	-	-	8,802.41
19	Receiving of Services	38.92	5.58	-	-	-	-	44.50
20	Fixed Assets	0.50	-	-	-	-	-	0.50
	Sales / Services							
21	Goods and Materials	355.11	143.69	-	382.96	-	-	881.76
22	Services Rendered	211.67	1,819.99	-	18.42	133.19	-	2,183.27
23	Fixed Assets / Investments	-	-	-	-	-	-	-
24	Sales of Flats	-	-	-	-	-	-	-
	Expenses							
25	Rent	2.90	-	-	-	-	2.75	5.65
26	Repairs and Other Expenses	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

		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
27	CSR Contribution	-	200.22	-	-	-	-	200.22
28	Travelling and conveyance expenses	-	192.18	-	-	-	-	192.18
29	Management Fees	51.01	-	-	-	-	-	51.01
30	Legal and professional charges	88.64	-	-	-	-	-	88.64
31	Transportation, freight, handling and other charges	-	-	-	-	-	-	-
32	Recovery of Expenses	720.91	-	-	-	-	-	720.91
33	Dividend Paid	233.98	-	-	-	-	-	233.98
34	Interest Paid	26.95	24.50	-	-	-	-	51.45
35	Real estate development expenses	3,576.07	-	296.13	-	-	-	3,872.20
36	Brokerage and Commission Charges	-	-	126.91	-	-	-	126.91
37	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-
38	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-
39	Remuneration	-	-	-	-	-	474.28	474.28
40	Miscellaneous expenses	2.24	6.33	-	15.35	-	-	23.92
	Income							
41	Rent and Other Service Charges	31.12	173.78	-	63.37	95.17	-	363.44
42	Dividend	-	-	-	50.00	-	-	50.00
43	Interest Received	-	-	-	-	-	-	-
44	Profit on sale / Diminution in the value of Investments / Sale of Assets	0.50	-	-	-	-	-	0.50
45	Guarantee Commission	-	25.27	-	-	-	-	25.27
46	Miscellaneous Income	2.02	0.04	-	4.38	-	-	6.44
	Other Receipts							
47	Other Reimbursements	-	25.06	109.62	72.14	-	-	206.82
	Finance							
48	Inter-corporate deposits given	-	-	-	-	-	-	-
49	Inter-corporate deposits taken	30.00	-	-	-	-	-	30.00
50	Repayment of Deposits Taken	30.00	-	-	-	-	-	30.00
51	Advances received from customers	-	1,295.77	-	-	-	-	1,295.77

For details of investments in associates and joint ventures refer Note 9A and 9B

Terms and conditions:-

- All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
- All related party transactions entered during the year were in ordinary course of business and on arms length basis.
- The Group has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

47. Related party disclosures (contd..)

Parties in F :

Key Managerial Personnel Remuneration

Particulars	₹ in Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Short-term employee benefits	349.97	495.61
Post-employment benefits	4.44	9.27
Long-term employee benefits	119.87	0.95
	474.28	505.83

Directors Sitting Fees:

Name	₹ In Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
T. R. Doongaji	-	2.00
Kaiwan D. Kalyaniwalla	6.00	9.50
D. Sivanandhan	6.50	8.50
Aslesha Gowariker	3.00	3.50
Kannan Dasaratharaman	-	1.00
Shapoor P. Mistry	1.00	1.00
S. L. Goklaney	-	1.00
Jimmy J. Parakh	-	1.00
Jai L. Mavani	3.00	5.00
Total	19.50	32.50

Parties in G:

Contribution to Post Employment Benefit Plan:

Particulars	₹ In Lakhs	
	Year ended 31st Mar., 2018	Year ended 31st Mar., 2017
Forbes & Company Limited Employees Provident Fund	84.52	82.01
Eureka Forbes Limited Employees Gratuity Fund	139.44	209.89
Eureka Forbes Limited Employees Provident Fund	181.41	192.21
Eureka Forbes Limited Managing Staff Superannuation Scheme	123.45	129.35
	528.82	613.46

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 CONTD.....

47. Related party disclosures (contd..)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	A	B	B	B	B	B	B	B	B	B
	Shapoorji Pallonji and Company Private Limited	Afcons In- frastructure Limited	Transon- nelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forvol International Services Limited	Gokak Tex- tiles Limited	G.S. Enter- prise	Joyville Shapoorji Housing Pvt. Ltd.	Lucrative Properties Private Limited	
Balances										
1 Trade Payables	***	-	-	-	***	-	-	-	97.71	
2 Advances received from customer	-	-	-	-	-	-	-	-	***	
3 Interest accrued	1,014.73	-	-	-	-	***	176.54	-	-	
4 Trade Receivables	246.74	159.55	-	-	***	***	-	-	-	
5 Contractually reimbursable expense	73.17	-	-	-	27.30	-	-	-	-	
6 Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	-	-	-	
7 Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	
8 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	
9 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	421.17	
10 Unbilled Revenue	-	-	-	-	-	-	-	-	200.00	
11 Deposits Payable	-	-	-	-	-	-	-	-	-	
12 Other Payables	66.29	-	-	-	-	-	-	-	-	
13 Deposits Receivable	-	-	-	-	-	-	-	-	-	
14 Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	
15 Investment in Debentures	-	-	-	-	-	-	-	-	-	
16 Guarantees Given	-	-	-	-	-	-	-	-	-	
17 Guarantees Taken	3,247.40	-	-	-	-	-	-	-	-	
Transactions										
Purchases / Services										
18 Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-	
19 Receiving of Services	38.92	-	-	-	5.58	-	-	-	-	
20 Fixed Assets	0.50	-	-	-	-	-	-	-	-	
Sales / Services										
21 Goods and Materials	355.11	***	***	-	-	-	-	***	509.27	
22 Services Rendered	***	568.88	***	-	-	-	-	***	-	
23 Fixed Assets / Investments	-	-	-	-	-	-	-	-	-	
24 Sales of Flats	-	-	-	-	-	-	-	-	-	
*** Amounts are below the threshold adopted by the Group.										
Expenses										
25 Rent	2.90	-	-	-	-	-	-	-	-	
26 Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	
27 CSR Contribution	-	-	-	200.22	-	-	-	-	-	
28 Travelling and conveyance expenses	-	-	-	-	192.18	-	-	-	-	
29 Management Fees	51.01	-	-	-	-	-	-	-	-	
30 Legal and professional charges	88.64	-	-	-	-	-	-	-	-	
31 Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	
32 Recovery of Expenses	720.91	-	-	-	-	-	-	-	-	
33 Dividend Paid	233.98	-	-	-	-	-	-	-	-	
34 Interest Paid	26.95	-	-	-	-	-	-	-	24.50	
35 Real estate development expenses	3,576.07	-	-	-	-	-	-	-	-	
36 Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-	
37 Provision for doubtful loans and advances	-	-	-	-	-	-	-	-	-	
38 Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	
39 Remuneration	-	-	-	-	-	-	-	-	-	
40 Miscellaneous expenses	***	-	-	-	-	***	-	-	-	
Income										
41 Rent and Other Service Charges	***	59.40	-	-	***	-	-	-	-	
42 Dividend	-	-	-	-	-	-	-	-	-	
43 Interest Received	-	-	-	-	-	-	-	-	-	
44 Profit on sale / Diminution in the value of Investments / Sale of Assets	0.50	-	-	-	-	-	-	-	-	
45 Guarantee Commission	-	-	-	-	-	-	-	-	-	
46 Miscellaneous Income	2.02	-	-	-	-	***	-	-	-	
Other Receipts										
47 Other Reimbursements	-	23.59	-	-	***	-	-	-	-	
Finance										
48 Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	
49 Inter-corporate deposits taken	30.00	-	-	-	-	-	-	-	-	
50 Repayment of Deposits Taken	30.00	-	-	-	-	-	-	-	-	
51 Advances received from customers	-	-	-	-	-	-	-	-	185.52	

*** Amount are below the threshold adopted by the Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 CONTD.....

47. Related party disclosures (contd..)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

	B Relation- ships Private Limited	B Samalpatni Power Co. Private Limited	B SD Cor- poration Private Limited	B Shapoorji Infrastruc- ture Capital Company Private Limited	B Shapoorji Pallonji Finance Limited	B Shapoorji Oil & Gas Private Limited	B Sterling and Wilson Private Limited	B SP Fabrica- tors Private Limited	B Shapoorji Pallonji Rural Solutions Private Limited
Balances									
1 Trade Payables	-	-	***	-	-	-	-	-	***
2 Advances received from customer	-	-	-	-	-	-	-	-	-
3 Interest accrued	***	***	81.86	***	***	***	***	***	***
4 Trade Receivables	-	-	-	-	42.65	-	-	-	-
5 Contractually reimbursable expense	-	-	-	-	-	-	-	-	-
6 Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-
7 Long Term Loans and Advances	-	-	-	-	-	-	-	-	-
8 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	10.18	-	-
9 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-
10 Unbilled Revenue	-	-	-	***	-	-	-	-	-
11 Deposits Payable	-	-	-	-	48.25	-	-	-	-
12 Other Payables	-	-	-	-	-	-	-	-	-
13 Deposits Receivable	-	-	-	-	-	-	-	-	-
14 Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-
15 Investment in Debentures	-	-	-	-	-	-	-	-	-
16 Guarantees Given	-	-	-	-	-	-	-	-	-
17 Guarantees Taken	-	-	-	-	-	-	-	-	-
Transactions									
18 Purchases / Services	-	-	-	-	-	-	-	-	-
19 Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-
20 Receiving of Services	-	-	-	-	-	-	-	-	-
21 Fixed Assets	-	-	-	-	-	-	-	-	-
Sales / Services									
22 Goods and Materials	***	-	***	***	***	***	***	***	***
23 Services Rendered	***	-	***	***	***	***	***	***	***
24 Fixed Assets / Investments	-	-	-	-	-	-	-	-	-
25 Sales of Flats	-	-	-	-	-	-	-	-	-
*** Amounts are below the threshold adopted by the Group.									
Expenses									
26 Rent	-	-	-	-	-	-	-	-	-
27 Repairs and Other Expenses	-	-	-	-	-	-	-	-	-
28 CSR Contribution	-	-	-	-	-	-	-	-	-
29 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-
30 Management Fees	-	-	-	-	-	-	-	-	-
31 Legal and professional charges	-	-	-	-	-	-	-	-	-
32 Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-
33 Recovery of Expenses	-	-	-	-	-	-	-	-	-
34 Dividend Paid	-	-	-	-	-	-	-	-	-
35 Interest Paid	-	-	-	-	-	-	-	-	-
36 Real estate development expenses	-	-	-	-	-	-	-	-	-
37 Brokerage and Commission Charges	-	-	-	-	-	-	-	-	-
38 Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-
39 Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-
40 Remuneration	-	-	-	-	-	-	-	-	-
41 Miscellaneous expenses	-	-	6.10	-	-	-	-	-	-
Income									
42 Rent and Other Service Charges	-	-	-	***	-	96.91	-	***	-
43 Dividend	-	-	-	-	-	-	-	-	-
44 Interest Received	-	-	-	-	-	-	-	-	-
45 Profit on sale / Diminution in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-	-
46 Guarantee Commission	-	-	-	-	***	25.27	-	-	-
47 Miscellaneous Income	-	-	-	-	-	-	-	-	-
Other Receipts									
48 Other Reimbursements	23.59	-	-	***	-	-	-	-	-
Finance									
49 Inter-corporate deposits given	-	-	-	-	-	-	-	-	-
50 Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-
51 Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-
52 Advances received from customers	-	-	-	-	-	-	-	-	-

*** Amount are below the threshold adopted by the Group

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 CONTD.....

47. Related party disclosures (contd..)

Current Year

(b) transactions/balances with above mentioned related parties

	B	C	D	D	D	E	E	F	F	F	₹ in Lakhs
	United Mo- tors (India) Limited	Neuvo Consultan- cy Service Limited	Aqualgnis Technolo- gies Private Limited	Forbes Aquatech Limited	Infinite Water Solutions Private Limited	HPCL Shapoorji Energy Pvt Ltd	Shapoorji Bumi Armada Offshore Limited	Managing Director, Mr. Mahesh Tahiyani	Managing Director, Mr. Ashok Barat	Executive Vice Chair- man, Mr. S. L. Goklaney (upto 30.09.2017)	Managing Director Mr. Marzin R. Shroff (wef 27.06.2017)
Balances											
1 Trade Payables	-	***	***	1,223.40	2,829.89	-	-	-	-	-	-
2 Advances received from customer	24.37	-	-	-	***	-	-	-	-	-	-
3 Interest accrued	-	-	-	-	-	***	***	-	-	-	-
4 Trade Receivables	-	-	***	***	***	-	-	-	-	-	-
5 Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-	-
6 Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-
7 Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
8 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
9 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-
10 Unbilled Revenue	***	-	-	-	-	-	-	-	-	-	-
11 Deposits Payable	-	-	-	-	***	-	-	-	-	-	-
12 Other Payables	-	-	-	-	-	***	-	-	-	-	-
13 Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-
14 Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-
15 Investment in Debentures	-	-	-	-	-	-	2,906.42	-	-	-	-
16 Investment in Debentures	-	-	-	-	-	-	-	-	-	-	-
17 Guarantees Given	-	-	-	-	-	-	-	-	-	-	-
17 Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-
Transactions											
18 Purchases / Services	-	***	***	2,778.47	5,140.24	-	-	-	-	-	-
19 Purchase of Goods and Materials	-	-	-	-	-	-	-	-	-	-	-
20 Receiving of Services	-	-	-	-	-	-	-	-	-	-	-
20 Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
Sales / Services											
21 Goods and Materials	-	-	***	370.93	***	-	-	-	-	-	-
22 Services Rendered	501.97	-	***	***	***	-	-	-	-	-	-
23 Fixed Assets / Investments	-	-	-	-	-	-	-	-	-	-	-
24 Sales of Flats	-	-	-	-	-	-	-	-	-	-	-
*** Amounts are below the threshold adopted by the Group.											
Expenses											
25 Rent	-	-	-	-	-	-	-	-	-	2.75	-
26 Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-	-
27 CSR Contribution	-	-	-	-	-	-	-	-	-	-	-
28 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-
29 Management Fees	-	-	-	-	-	-	-	-	-	-	-
30 Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-
31 Transportation, freight, handling and other charges	-	-	-	-	-	-	-	-	-	-	-
32 Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-
33 Dividend Paid	-	-	-	-	-	-	-	-	-	-	-
34 Interest Paid	-	-	-	-	-	-	-	-	-	-	-
35 Real estate development expenses	-	-	-	-	-	-	-	-	-	-	-
36 Brokerage and Commission Charges	-	126.91	-	-	-	-	-	-	-	-	-
37 Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-
38 Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-	-
39 Remuneration	-	-	-	15.20	-	-	-	203.33	-	164.52	106.43
40 Miscellaneous expenses	-	-	***	-	-	-	-	-	-	-	-
Income											
41 Rent and Other Service Charges	-	-	***	50.00	***	95.17	-	-	-	-	-
42 Dividend	-	-	-	-	-	-	-	-	-	-	-
43 Interest Received	-	-	-	-	-	-	-	-	-	-	-
44 Profit on sale / Diminution in the value of Investments /	-	-	-	-	-	-	-	-	-	-	-
45 Sale of Assets	-	-	0.75	3.52	-	-	-	-	-	-	-
45 Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-
46 Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
Other Receipts											
47 Other Reimbursements	-	109.62	***	26.35	32.70	-	-	-	-	-	-
48 Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-
49 Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-
50 Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-
51 Advances received from customers	1110.25	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

47. Related party disclosures (contd..)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables	1,500.57	28.16	275.34	2,513.91	-	-	4,317.98
2	Advances received from customer	-	590.56	-	-	-	-	590.56
3	Interest accrued	124.80	86.31	-	-	-	-	211.11
4	Trade Receivables	243.77	437.02	-	89.70	11.23	-	781.72
5	Long Term Loans and Advances	-	-	-	-	-	-	-
6	Short Term Loans and Advances	-	27.70	-	106.79	4.83	-	139.32
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	7.81	-	-	-	-	7.81
9	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	1,000.00
10	Deposits Payable	-	248.25	-	7.51	-	-	255.76
11	Other Payables	11.19	-	-	-	-	-	11.19
12	Guarantees Given	-	27.31	-	-	2,899.89	-	2,927.20
13	Guarantees Taken	3,240.10	-	-	-	-	-	3,240.10
	Transactions							
	Purchases / Services							
14	Goods and Materials	-	-	-	10,312.27	-	-	10,312.27
15	Receiving of Services	40.34	2.25	-	-	-	-	42.59
16	Fixed Assets	42.36	-	-	-	-	-	42.36
	Sales / Services							
17	Goods and Materials	244.41	224.88	-	308.15	0.19	-	777.63
18	Services Rendered	183.91	276.05	-	13.47	144.90	-	618.33
19	Fixed Assets / Investments	2.85	1,250.03	-	-	-	-	1,252.88
20	Sales of Flats	-	1,211.80	-	-	-	-	1,211.80
	Expenses							
21	Rent	2.29	-	-	-	-	-	2.29
22	Repairs & Other Expenses	774.23	8.06	-	59.85	-	-	842.14
23	CSR Contribution	-	197.62	-	-	-	-	197.62
24	Travelling and conveyance expenses	-	149.93	-	-	-	-	149.93
25	Management Fees	11.19	-	-	-	-	-	11.19
26	Legal and professional charges	17.73	-	210.51	-	-	-	228.24
27	Recovery of Expenses	-	200.00	-	1.97	-	-	201.97
28	Interest Paid	24.68	24.50	-	-	-	-	49.18
29	Real estate development expenses	2,318.61	-	150.15	-	-	-	2,468.76
30	Provision for doubtful loans and advances / Trade receivable	-	7.81	-	-	-	-	7.81
31	Remuneration	-	-	-	-	-	505.83	505.83
32	Miscellaneous expenses	-	0.20	-	0.19	-	-	0.39
	Income							
33	Rent and Other Service Charges	25.18	175.85	-	59.99	2.08	-	263.10
34	Dividend	-	-	-	50.00	-	-	50.00
35	Interest Received	-	69.45	-	-	-	-	69.45
36	Profit on sale / Dim in the value of Investments / Sale of Assets	2.71	750.02	-	-	-	-	752.73
37	Miscellaneous Income	2.07	11.83	-	106.07	-	-	119.97
	Other Receipts							
38	Other Reimbursements	-	24.36	114.26	68.32	4.60	-	211.54
	Finance							
39	Inter-corporate deposits given	-	-	-	-	1.00	-	1.00
40	Inter-corporate deposits taken	-	-	-	-	1.00	-	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 CONTD.....

47. Related party disclosures (contd..)

Previous Year
(b) transactions/ balances with above mentioned related parties

	A	B	B	B	B	B	B	B	B	B	B	B	B	₹ In Lakhs
	Shapoorji Pallonji and Company Private Limited	Afcons Infrastructure Limited	Transstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Forval International Services Limited	Gokak Tiles Limited	G.S. Enterprise	Joyville Shapoorji Housing Private Limited	Lucrative Properties Private Limited	Next Gen Publishing Limited	Relationship Properties Private Limited	Samalpariti Power Company Private Limited		
Balances														
1 Trade Payables	1,500.57	-	-	-	***	***	-	-	-	***	-	-	-	-
2 Advances received from customer	-	-	-	-	***	***	-	-	-	-	-	-	-	-
3 Interest accrued	124.80	-	-	-	***	***	-	-	23.80	-	***	-	-	***
4 Trade Receivables	243.77	***	-	-	-	-	176.54	***	-	-	-	-	-	-
5 Long Term Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6 Short Term Loans and Advances	-	***	-	-	***	***	-	-	-	-	-	-	-	-
7 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
10 Deposits Payable	-	-	-	-	-	-	-	-	200.00	-	-	-	-	-
11 Other Payables	11.19	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Guarantees Taken	3,240.10	-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions														
Purchases / Services														
14 Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Receiving of Services	40.34	-	-	-	***	-	-	-	-	-	-	-	-	-
16 Fixed Assets	42.36	-	-	-	-	-	-	-	-	-	-	-	-	-
Sales / Services														
17 Goods and Materials	244.41	***	***	-	-	-	-	-	-	-	-	-	-	***
18 Services Rendered	183.91	67.10	***	-	-	-	-	-	-	-	-	-	-	***
19 Fixed Assets / Investments	***	-	-	-	-	-	-	-	-	-	-	-	-	***
20 Sales of Flats	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expenses														
21 Rent	2.29	-	-	-	-	-	-	-	-	-	-	-	-	-
22 Repairs & Other Expenses	774.23	-	-	-	-	-	-	-	-	-	-	-	-	-
23 CSR Contribution	-	-	-	197.62	-	-	-	-	-	-	-	-	-	-
24 Travelling and conveyance expenses	-	-	-	-	149.93	-	-	-	-	-	-	-	-	-
25 Management Fees	11.19	-	-	-	-	-	-	-	-	-	-	-	-	-
26 Legal and professional charges	***	-	-	-	-	-	-	-	-	-	-	-	-	-
27 Recovery of Expenses	-	-	-	-	-	-	200.00	-	-	-	-	-	-	-
28 Interest Paid	24.68	-	-	-	-	-	-	-	24.50	-	-	-	-	-
29 Real estate development expenses	2,318.61	-	-	-	-	-	-	-	-	-	-	-	-	-
30 Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 Miscellaneous expenses	-	-	-	-	-	0.20	-	-	-	-	-	-	-	-
Income														
33 Rent and Other Service Charges	***	59.40	-	-	***	-	-	-	-	-	-	-	-	-
34 Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 Interest Received	***	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Profit on sale / Dim in the value of Investments / Sale of Assets	***	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Miscellaneous Income	***	***	-	-	-	-	-	-	-	-	-	-	-	-
Other Receipts														
38 Other Reimbursements	-	21.74	-	-	***	-	-	-	-	-	-	-	-	-
Finance														
39 Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 CONTD.....

47. Related party disclosures (contd..)

(b) transactions/ balances with above mentioned related parties

Previous Year	₹ In Lakhs									
	B	B	B	B	B	B	B	B	B	C
	SD Corporation Private Limited	Shapoorji Pallonji Infrastructure Company Private Limited	Shapoorji Pallonji Finance Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling Motors	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Shapoorji Pallonji Rural Solutions Private Limited	United Motors (India) Limited	Neuvo Consultancy Service Limited.
Balances										
1 Trade Payables	-	-	-	-	-	-	-	***	-	***
2 Advances received from customer	-	-	-	-	-	-	-	-	590.56	-
3 Interest accrued	97.62	***	***	62.51	-	-	-	***	-	-
4 Trade Receivables	-	-	-	***	-	-	-	-	-	-
5 Long Term Loans and Advances	-	-	-	***	-	-	-	-	-	-
6 Short Term Loans and Advances	-	-	-	-	-	-	-	-	-	-
7 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-
8 Provision for Doubtful Trade Receivables	-	-	-	-	-	7.81	-	-	-	-
9 Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-
10 Deposits Payable	-	-	-	48.25	-	-	-	-	-	-
11 Other Payables	-	-	-	-	-	-	-	-	-	-
12 Guarantees Given	-	-	-	-	-	-	-	-	-	-
13 Guarantees Taken	-	-	-	-	-	-	-	-	-	-
Transactions										
Purchases / Services										
14 Goods and Materials	-	-	-	-	-	-	-	-	-	-
15 Receiving of Services	-	-	-	-	-	-	-	-	-	-
16 Fixed Assets	-	-	-	-	-	-	-	-	-	-
Sales / Services										
17 Goods and Materials	***	***	***	***	***	99.79	-	***	-	-
18 Services Rendered	132.36	-	-	1,250.03	-	-	-	***	-	-
19 Fixed Assets / Investments	-	-	-	-	-	-	-	-	1,211.80	-
20 Sales of Flats	-	-	-	-	-	-	-	-	-	-
Expenses										
21 Rent	-	-	-	-	-	-	-	-	-	-
22 Repairs & Other Expenses	-	-	-	-	-	-	-	***	-	-
23 CSR Contribution	-	-	-	-	-	-	-	-	-	-
24 Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
25 Management Fees	-	-	-	-	-	-	-	-	-	210.51
26 Legal and professional charges	-	-	-	-	-	-	-	-	-	-
27 Recovery of Expenses	-	-	-	-	-	-	-	-	-	-
28 Interest Paid	-	-	-	-	-	-	-	-	-	***
29 Real estate development expenses	-	-	-	-	-	-	-	-	-	-
30 Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	7.81	-	-	-	-
31 Remuneration	-	-	-	-	-	-	-	-	-	-
32 Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-
Income										
33 Rent and Other Service Charges	-	-	-	96.50	-	-	***	-	-	-
34 Dividend	-	-	-	-	-	-	-	-	-	-
35 Interest Received	-	-	-	69.45	-	-	-	-	-	-
36 Profit on sale / Dim in the value of Investments / Sale of Assets	-	-	-	750.02	-	-	-	-	-	-
37 Miscellaneous Income	-	-	-	***	-	-	-	-	-	-
Other Receipts										
38 Other Reimbursements	-	-	-	-	-	-	***	-	-	114.26
Finance										
39 Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-
40 Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 CONTD.....

47. Related party disclosures (contd..)

Previous Year

(b) transactions/ balances with above mentioned related parties

₹ In Lakhs

	D	D	D	D	E	F	F	F
	Aqualigns Technologies Private Limited	Forbes Aquatech Limited	Forbes Bumi Armada Limited	Infinite Water Solutions Private Limited	Forbes Bumi Armada Offshore Limited	Managing Director, Mr. Mahesh Tahilyani	Managing Director, Mr. Ashok Barut	Managing Director, Mr. S. L. Goklaney
Balances								
1 Trade Payables	***	***	-	2,193.29	-	-	-	-
2 Advances received from customer	-	-	-	-	-	-	-	-
3 Interest accrued	-	-	***	-	-	-	-	-
4 Trade Receivables	***	-	-	***	***	-	-	-
5 Long Term Loans and Advances	-	-	-	106.79	***	-	-	-
6 Short Term Loans and Advances	-	-	-	-	-	-	-	-
7 Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-
8 Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-
9 Preference Shares classified as compound financial instrument	-	-	-	***	-	-	-	-
10 Deposits Payable	-	-	-	-	-	-	-	-
11 Other Payables	-	-	-	-	2,899.89	-	-	-
12 Guarantees Given	-	-	-	-	-	-	-	-
13 Guarantees Taken	-	-	-	-	-	-	-	-
Transactions								
Purchases / Services								
14 Goods and Materials	***	2,973.78	-	6,439.12	-	-	-	-
15 Receiving of Services	-	-	-	-	-	-	-	-
16 Fixed Assets	-	-	-	-	-	-	-	-
Sales / Services								
17 Goods and Materials	***	286.47	-	***	***	-	-	-
18 Services Rendered	***	***	-	***	144.90	-	-	-
19 Fixed Assets / Investments	-	-	-	-	-	-	-	-
20 Sales of Flats	-	-	-	-	-	-	-	-
Expenses								
21 Rent	-	-	-	-	-	-	-	-
22 Repairs & Other Expenses	-	***	-	-	-	-	-	-
23 CSR Contribution	-	-	-	-	-	-	-	-
24 Travelling and conveyance expenses	-	-	-	-	-	-	-	-
25 Management Fees	-	-	-	-	-	-	-	-
26 Legal and professional charges	-	-	-	-	-	-	-	-
27 Recovery of Expenses	-	***	-	-	-	-	-	-
28 Interest Paid	-	-	-	-	-	-	-	-
29 Real estate development expenses	-	-	-	-	-	-	-	-
30 Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-
31 Remuneration	-	-	-	-	-	115.58	***	378.23
32 Miscellaneous expenses	0.19	-	-	-	-	-	-	-
Income								
33 Rent and Other Service Charges	28.74	***	-	30.36	***	-	-	-
34 Dividend	-	50.00	-	-	-	-	-	-
35 Interest Received	-	-	-	-	-	-	-	-
36 Profit on sale / Dim in the value of Investments / Sale of Assets	-	-	-	-	-	-	-	-
37 Miscellaneous Income	***	***	-	100.76	-	-	-	-
Other Receipts								
38 Other Reimbursements	***	***	***	33.64	***	-	-	-
Finance								
39 Inter-corporate deposits given	-	-	-	-	1.00	-	-	-
40 Inter-corporate deposits taken	-	-	-	-	1.00	-	-	-

*** Amounts are below the threshold adopted by the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

48 Forbes Technosys Limited (FTL), a wholly owned subsidiary, had issued 1,00,00,000, 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of ₹ 10 each in an earlier year outside the Group . The Preference Shares shall be redeemable at par upon the expiry of 20 Years from date of allotment. The Preference Shares shall have right to dividend with Equity shareholders up to 8% after dividend of 0.1% has been paid to Equity shareholders and has voting right only for matters which directly affects the rights attached to Preference shares. Details of the same are as below:

₹ In Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Proceeds from issue	1,000.00	1,000.00
Liability component at the date of issue	105.58	105.58
Equity Component	894.42	894.42
Liability Component (included in "Non-current borrowing" (refer Note 19))	105.58	105.58
Interest accrued as at the beginning of the year	120.37	95.69
Interest charged calculated at an effective interest rate	26.93	24.68
Interest paid	-	-
Interest accrued as at the end of the year (included in "Non-current borrowing" (refer Note 19))	147.30	120.37

49 Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 0%, 92,700,000 Redeemable Preference Shares of ₹ 10 each to the promoters on right basis in 2009 and 2010. Since no terms for redemption have been specified for these shares, they will be redeemed at par not later than 20 years from the date of issue as per the provisions of section 55 of the Companies Act, 2013 (erstwhile section 80 of the Companies Act, 1956).

Date of Allotment	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	1,86,00,000	12-Aug-29	Redeemable at par
06-Nov-09	2,40,00,000	06-Nov-29	Redeemable at par
22-Mar-10	3,16,50,000	22-Mar-30	Redeemable at par
02-Jul-10	1,84,50,000	02-Jul-30	Redeemable at par
	9,27,00,000		

The said shares shall in the event of winding up, be entitled to rank as regards repayment of capital, in priority to equity shares but shall not be entitled to any further participation in profits or assets. The voting rights of the shareholders shall be in accordance with the provisions of section 47 of the Companies Act, 2013 (erstwhile section 87 of the Companies Act, 1956).

As the redeemable preference shares were issued at zero coupon, the same have been recognised at fair value being the present value of all future cash flows discounted using the prevailing rate of interest for a similar instrument, namely 12%, with a similar credit rating. The difference between the fair value of the said financial instrument as on the issue date and its fair value adjusted for amortisation of interest cost upto the date of transition have been recognised in Other Equity as on the date of transition.

₹ In Lakhs

Particulars	As at 31st Mar., 2018	As at 31st Mar., 2017
Proceeds of issue	9,270.00	9,270.00
Liability component at the date of issue	959.50	959.50
Equity Component (Classified as Non-Controlling Interest)	8,310.50	8,310.50
Liability Component (included in "Non-current borrowing" (refer Note 19))	959.50	959.50
Interest accrued as at the beginning of the year	1,209.94	977.50
Interest charged calculated at an effective interest rate	260.34	232.44
Interest paid	-	-
Interest accrued as at the end of the year (included in "Non-current borrowing" (Refer Note 19))	1,470.28	1,209.94

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

50 Non-controlling interests

Set out below is summarised financial information for subsidiaries that has non-controlling interests that are material to the Group. The amounts disclosed below are before intercompany eliminations:

₹ in Lakhs

Summarised Balance Sheet	Shapoorji Pallonji Forbes Shipping Limited	
	31st March, 2018	31st March, 2017
Current Assets	1,790.58	5,471.63
Current Liabilities	3,231.77	1,814.93
Net Current Assets	(1,441.19)	3,656.70
Non-Current Assets	41,906.09	33,794.95
Non-Current Liabilities	24,827.77	20,235.06
Net Non-Current Assets	17,078.32	13,559.89
Net Assets	15,637.13	17,216.59
Accumulated Non-Controlling Interest	11,727.85	12,912.44

₹ in Lakhs

Summarised Statement of Profit and Loss	Shapoorji Pallonji Forbes Shipping Limited	
	31st March, 2018	31st March, 2017
Total Revenue	8,227.41	9,619.55
Profit/(Loss) after tax for the year	(1,579.74)	653.99
Other Comprehensive Income / (Loss)	-	-
Total Comprehensive Income	(1,579.74)	653.99
Profit/ (Loss) allocated to Non-Controlling Interest	(1,184.81)	490.49

₹ in Lakhs

Summarised Statement of Cash Flow	Shapoorji Pallonji Forbes Shipping Limited	
	31st March, 2018	31st March, 2017
Cash flow from operating activities	1,393.43	4,782.76
Cash flow from investing activities	(6,813.12)	(2,072.81)
Cash flow from financing activities	4,321.06	(1,871.67)
Net increase/ (decrease) in cash and cash equivalents	(1,098.63)	838.28

51 As per Indian Accounting Standard 18 on Revenue and Schedule III of the Companies Act, 2013, Revenue from Operations for the period July 1, 2017 to March 31, 2018 does not include Goods and Service Tax (GST), however Revenue from Operations till the period ended June 30, 2017 and for the year ended March 31, 2017 includes Excise Duty. In view of the aforesaid restructuring of indirect taxes, Revenue from Operations for the year ended March 31, 2018 are not comparable with previous year.

52 In January 2016, the Board of the parent company had granted its approval for sale of the Shipping business comprising Container Freight Station (CFS) at Veshvi and Mundra and Logistics Service business on a slump sale basis. The Parent Company also executed an Agreement to transfer assets dated 18th April, 2016 pertaining to its Logistics business and simultaneously completed the transaction. The Company has completed the slump sale of Mundra CFS in April, 2016 and Veshvi CFS in August, 2016. Accordingly, profit for the year ended 31st March, 2017 includes profit on slump sale of Veshvi and Mundra CFS and profit on sale of Logistics business amounting to ₹ 5,459.26 Lakhs and ₹ 331.01 Lakhs respectively. The same has been considered under profit from discontinued operations in the standalone financial results of the parent company for the year ended 31st March, 2017. However, at the group level since the segment to which these activities belong are being carried out by the Group, the income earned due to the aforesaid slump sale has been shown as an exceptional item in these consolidated financial statement.

53 During the year, the Group has not defaulted in payment of its interest and principal that are due on borrowings. There were breaches in maintaining some of the financial ratios. Outstanding amount as at the year-end in respect of such borrowings amounted to ₹ 26,532.67 lakhs. As at the financial year-end and till the date of approval of the financial statements by the Board of Directors, the lender has not demanded for any accelerated repayment of borrowings and the terms of borrowings were not changed.

54 Goodwill on consolidation

Goodwill arising on consolidation is attributed to the acquisition of Lux International AG, which is the cash generating unit (CGU) for this goodwill, being the difference between the consideration paid and the net asset value of the acquired company. Goodwill pertaining to the CGU is as follows -

	₹ in Lakhs	
	As at 31st Mar., 2018	As at 31st Mar., 2017
Goodwill on consolidation	47,742.19	43,935.01

The operations of the CGU is spread across Europe and parts of Latin America. The carrying amount of the goodwill has been tested for impairment based on the business projections of each geography where the operations are based and cash flows arising out of the projections covering a 5 year period. The Company believes this to be the most appropriate timescale for reviewing and considering annual performance before discounting the cashflows and arriving at the terminal value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

The movement in the goodwill is as follows -

	₹ in Lakhs
Balance as on 1st April 2016	44,436.76
Effect of Foreign Exchange Differences	(501.75)
Less : Impairment	-
Balance as on 31st March 2017	43,935.01
Effect of Foreign Exchange Differences	3,092.00
Additional goodwill on account of business combination	889.59
Less : Impairment	(174.41)
Balance as on 31st March 2018	47,742.19

The directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash generating unit.

Key Assumptions used in the calculation of impairment testing are as follows -

	As at 31st Mar., 2018	As at 31st Mar., 2017
Average net sales growth rate for the 5 year period - Core business	10%	7%
Average net sales growth rate for the 5 year period - New business	-	15%
Discount rate Average of all geographies	8.9% to 13.02%	14%

Discount Rates - Management estimates discount rates that reflect the current market assessments of the risk specific to the geography of the CGU taking into consideration the time value of money and risks. The discount rates are derived from the weighted average cost of capital (WACC).

Growth rates - Management determines the growth rate based on the past performance of the CGU in the respective geography and its expectations on the market development.

55 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.

	₹ in Lakhs	
	2017-18	2016-17
Project revenue recognised during the year	9,516.53	9,420.03
Aggregate of Project cost incurred upto the reporting date	11,163.27	5,540.48
Profit recognised upto reporting date	7,000.86	3,722.86
Advance received for projects in progress as at the reporting date (net of revenue recognised)	185.45	143.52
Amount of work in progress and the value of inventories as at the reporting date	5,586.14	4,804.58
Unbilled revenue	4,544.71	3,095.57

(Unbilled revenue represents future instalment receivable from customers based on revenue recognised till Balance Sheet date)

56 The real estate development operations under "Project Vicinia" being executed at a plot of land in the city of Mumbai at Chandivali have been agreed between Forbes & Company Limited and another Company in terms of settlement terms filed with the Honourable Bombay High Court in 2011 for the then existing dispute. Each Company is now independently entitled to 50% of the saleable area and 50% of the rights in the permissible Floor Space Index and also for their own individual development and consequent sale of their respective individual flats for the specified land being developed.

57 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, 2018 (*Previous Year ₹ 4,391.78 Lakhs*) granted to The Svadeshi Mills Company Limited. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

58 During the year the Group has changed its estimate for determining the residual value for ships from 5% of original cost to scrap rate per light displacement tonnage of the ships. The change in estimate has been made to ensure realistic reflection of residual value based on market and industry specific conditions. On account of this change, depreciation on ships is lower for the year by ₹190.00 lakhs. Further, this change would also have an impact in future years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

59 The Board of Directors of the Group have recommended a dividend of ₹ 2.50 (25%) per equity shares for the year ended 31st March 2018. There is no other material subsequent event occurred after the Balance Sheet date.

60 Approval of financial statements

The financial statements were approved by the Board of Directors of the Group at their meeting held on 28th May, 2018.

61. The aggregate amount of Assets, Liabilities, Income and Expenses related to the Group's interests in the Joint Ventures

Sl. No	Name of the Company	Country of Incorporation	Year / Period Ended on	% Holding	Group's Share			
					Assets	Liabilities	Income	Expenses
					₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
1	Forbes Concept Hospitality Services Private Limited	India	31st March, 2018 <i>31st March, 2017</i>	50% <i>50%</i>	7.44 <i>7.03</i>	0.75 <i>0.63</i>	0.41 <i>0.44</i>	0.13 <i>0.13</i>
2	Forbes Aquatech Limited	India	31st March, 2018 <i>31st March, 2017</i>	50% <i>50%</i>	1,023.19 <i>743.35</i>	308.89 <i>129.61</i>	1,395.82 <i>1,467.28</i>	1,191.79 <i>1,276.91</i>
3	Infinite Water Solutions Private Limited	India	31st March, 2018 <i>31st March, 2017</i>	50% <i>50%</i>	2,306.57 <i>2,001.76</i>	366.50 <i>369.30</i>	2,608.77 <i>3,255.39</i>	2,174.49 <i>2,714.76</i>
4	Forbes G4S Solutions Private Limited	India	31st March, 2018 <i>31st March, 2017</i>	50% <i>50%</i>	- <i>-</i>	2.57 <i>2.46</i>	- <i>-</i>	0.11 <i>0.09</i>
5	Aquagnis Technologies Private Limited	India	31st March, 2018 <i>31st March, 2017</i>	50% <i>50%</i>	238.27 <i>258.92</i>	45.63 <i>73.66</i>	364.09 <i>445.13</i>	356.98 <i>450.33</i>
6	AMC Cookware PTY Limited	South Africa	31st December, 2017 <i>31st December, 2016</i>	50% <i>50%</i>	6,360.17 <i>5,823.36</i>	2,083.51 <i>2,023.59</i>	5,366.74 <i>3,203.60</i>	4,637.86 <i>2,285.52</i>
7	Forbes Bumi Armada Limited	India	31st March, 2018 <i>31st March, 2017</i>	51% <i>51%</i>	1,178.32 <i>1,011.16</i>	640.64 <i>530.75</i>	2,807.31 <i>2,778.71</i>	2,691.91 <i>2,700.79</i>

62. Details of Cash Transactions for the period from 08.11.2016 to 30.12.2016

	Specified Bank Notes	Other Denominations	Total
Closing cash in hand as on 08.11.2016	449.52	36.65	486.17
(+) Permitted receipts	-	923.39	923.39
(-) Permitted payments	(0.01)	(39.95)	(39.96)
(+) Amount withdrawn from Bank	-	3.00	3.00
(-) Amount deposited in Banks	(449.51)	(891.94)	(1,341.45)
Closing cash in hand as on 30.12.2016	-	31.15	31.15

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

63. Net debt reconciliation

	₹ in Lakhs	
	31st Mar., 2018	31st Mar., 2017
Short Term Borrowings	(29,914.45)	(29,168.79)
Long Term Borrowings (includes accrued interest)	(74,184.58)	(78,036.21)
Current Maturities of Long Term Borrowings	(15,452.16)	(9,820.20)
Total debt	(1,19,551.19)	(1,17,025.20)
Cash and Cash equivalents	13,699.70	19,034.81
Net debt	(1,05,851.49)	(97,990.39)

	₹ in Lakhs		
	Other assets Cash and cash equivalents	Debt Total Debt	Total
Net debt as at 1st April, 2017	19,034.81	(1,17,025.20)	(97,990.39)
Cash flows	(5,334.83)	(129.12)	(5,463.95)
Foreign exchange adjustments	(0.28)	(2,019.49)	(2,019.77)
Interest expense	-	(9,555.96)	(9,555.96)
Interest paid	-	9,178.59	9,178.59
Net debt as at 31st March, 2018	13,699.70	(1,19,551.19)	(1,05,851.49)

64. Offsetting financial assets and financial liabilities

	Gross amounts	Gross amounts set off in the Balance Sheet	Net amounts presented in Balance Sheet
	(Financial Assets -Trade Receivables)	(Financial Liabilities - Rebates/ Discounts)	(Net Financial Assets - Trade Receivables)
31st March, 2018	46,800.74	314.36	46,486.38
Total	46,800.74	314.36	46,486.38
<i>31st March, 2017</i>	<i>50,674.83</i>	<i>288.20</i>	<i>50,386.63</i>
<i>Total</i>	<i>50,674.83</i>	<i>288.20</i>	<i>50,386.63</i>

65. Amalgamation between Eureka Forbes Limited and Aquamall Water Solutions Limited

During the current year, the Ministry of Corporate Affairs, Kolkata vide its orders dated 31st March, 2018 has approved the scheme of amalgamation between Aquamall Water Solutions Limited (AWSL), a wholly owned subsidiary of Eureka Forbes Limited (EFL) and EFL. The scheme was approved by the board of EFL on 18.01.2017 and AWSL on 19.01.2017 and the members approved the scheme on 18.09.2017 and 16.09.2017 of the respective companies. The said order was filed with the Registrar of Companies, Kolkata on 31st March 2018 (i.e the effective date).

Upon, the scheme coming into effect from the appointed date 1st April 2016, the undertaking of AWSL have been transferred to and vested in EFL from the appointed date.

As this is a business Combinations of entities under common control, the amalgamation has been accounted using 'pooling of interest' method (in accordance with the approved scheme) as laid down in appendix C of IND AS 103, Business Combination, which requires the comparative accounting period presented in the financial statement of the transferee company to be restated for the accounting impact of merger. Accordingly, the figures for the previous year ended 31st March 2017 has been restated to give effect of the Merger.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

a. Business combination

Particulars	Principal activity	Date of acquisition (Appointed Date)	Proportion of voting equity interests merged (%)	Consideration transferred *
Aquamall water Solutions Limited	Manufacturing	01-04-2016	100%	-

* Since this is a merger of 100 % subsidiary with the parent company no consideration is transferred

b. Assets and liabilities recognised at the date of Merger 1st April, 2016

(₹ in Lakhs)

Particulars	Aquamall Water Solutions Limited	
Assets		
Non Current Assets		
Property Plant and Equipment		5,520.59
Financial Assets		
Investments	23,503.51	
Loans	10,338.77	
Other Financial Assets	1,530.11	35,372.39
Tax Assets		
Deferred Tax Asset (Net)	393.39	
Income Tax Asset (Net)	605.70	999.09
Other Non-current assets		1,375.88
Total Non Current Assets		43,267.95
Current Assets		
Inventories		3,771.08
Financial Assets -		
Trade Receivables	11,450.48	
Cash and Cash Equivalents	47.10	
Loans	0.22	
Other Financial Assets	1.11	11,498.91
Other Current Assets		702.57
Total Current Assets		15,972.56
Total Assets		59,240.51

Particulars	Aquamall Water Solutions Limited	
Equities and Liabilities		
Equity		
Equity Share Capital	400.02	
Other Equity	33,959.55	34,359.57
Non Current Liabilities		
Financial Liabilities		
Borrowings	10,439.36	
Other Financial Liabilities	523.58	10,962.94
Provisions		184.49
Total Non Current Liabilities		11,147.43
Current Liabilities		
Financial Liabilities		
Borrowings	3,682.57	
Trade and Other Payables	7,778.41	
Other Financial Liabilities	2,093.22	13,554.20
Provisions		1.27
Income Tax Liabilities (net)		9.60
Other Current Liabilities		168.44
Total Current Liabilities		13,733.51
Total Liabilities		24,880.94
Total Equity and Liabilities		59,240.51

Contingent Liabilities assumed on merger - ₹ 8,173.85 Lakhs.

- c. Non Controlling Interest - Not Applicable
- d. Goodwill arising on acquisition - NIL
- e. Net cash outflow on acquisition of subsidiaries - NIL

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2018 - CONTD.....

66. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

In terms of our report of even date**For Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 28th May, 2018

For and on behalf of the Board of Directors

MAHESH C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 28th May, 2018



Forbes & Company Limited
CIN: L17110MH1919PLC000628

Registered Office: Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001

Phone: +91 22 6135 8900 **Fax:** +91 22 6135 8901 **E-mail:** investor.relations@forbes.co.in **Website:** www.forbes.co.in

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s) : _____
Registered Address : _____
Email ID : _____
Folio No./Client ID : _____
DP ID : _____

I/We, being member(s) of _____ shares of Forbes & Company Limited, hereby appoint:

1. Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him
2. Name : _____
Address : _____
E-mail ID : _____
Signature : _____ or failing him
3. Name : _____
Address : _____
E-mail ID : _____
Signature : _____

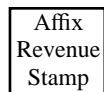
as my/our proxy to attend and vote (on a poll) for me/us and on my /our behalf at 99th Annual General Meeting of the Company, to be held at Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020 on Tuesday, September 25, 2018 at 4.00 p.m. and 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, 2018 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, 2017 together with the Report of the Auditors thereon.
2. To declare dividend for the Financial Year ended March 31, 2018.
3. To appoint a Director in place of Mr. Jai Mavani (DIN: 05260191), who retires by rotation and being eligible, seeks re-appointment.
4. Authority to borrow upto ₹ 1000 crores.
5. Authority to create charges upto ₹ 1000 crores.
6. Authority to issue Non-convertible Debentures/Bonds through Private Placement upto ₹ 250 crores.
7. Ratification of the remuneration to be paid to M/s. Kishore Bhatia & Associates (Firm Registration No. 00294) for the Financial Year ended March 31, 2019.
8. Appointment of Ms. Rani Ajit Jadhav as an Independent Director of the Company.

Signed this _____ day of _____ 2018

Signature of the shareholder: _____

Signature of Proxy Holder(s): _____



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



E-LOBBY



MEGA BANKER | SMART CITY KIOSK



ATVM - AUTOMATIC TICKET VENDING MACHINE IN USE AT RAILWAY STATION



FORBES XPRESS E-PAYMENT BUSINESS



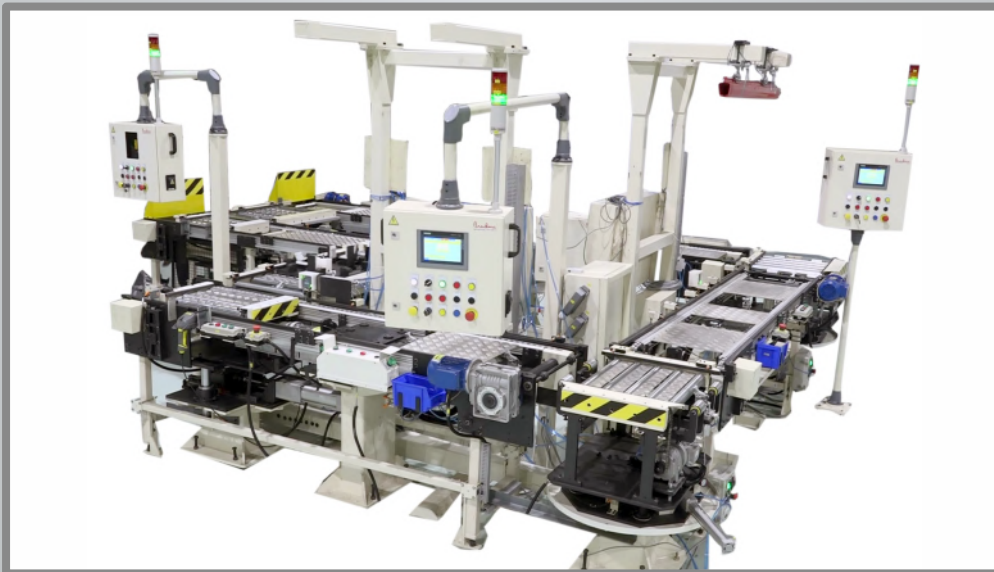
CHEMICAL TANKERS



**ULTRA VIOLET LASER
MARKING MACHINE**



**GEAR BOX
MARKING MACHINE**



LINE AUTOMATION SOLUTIONS : GEAR BOX ASSEMBLY

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**