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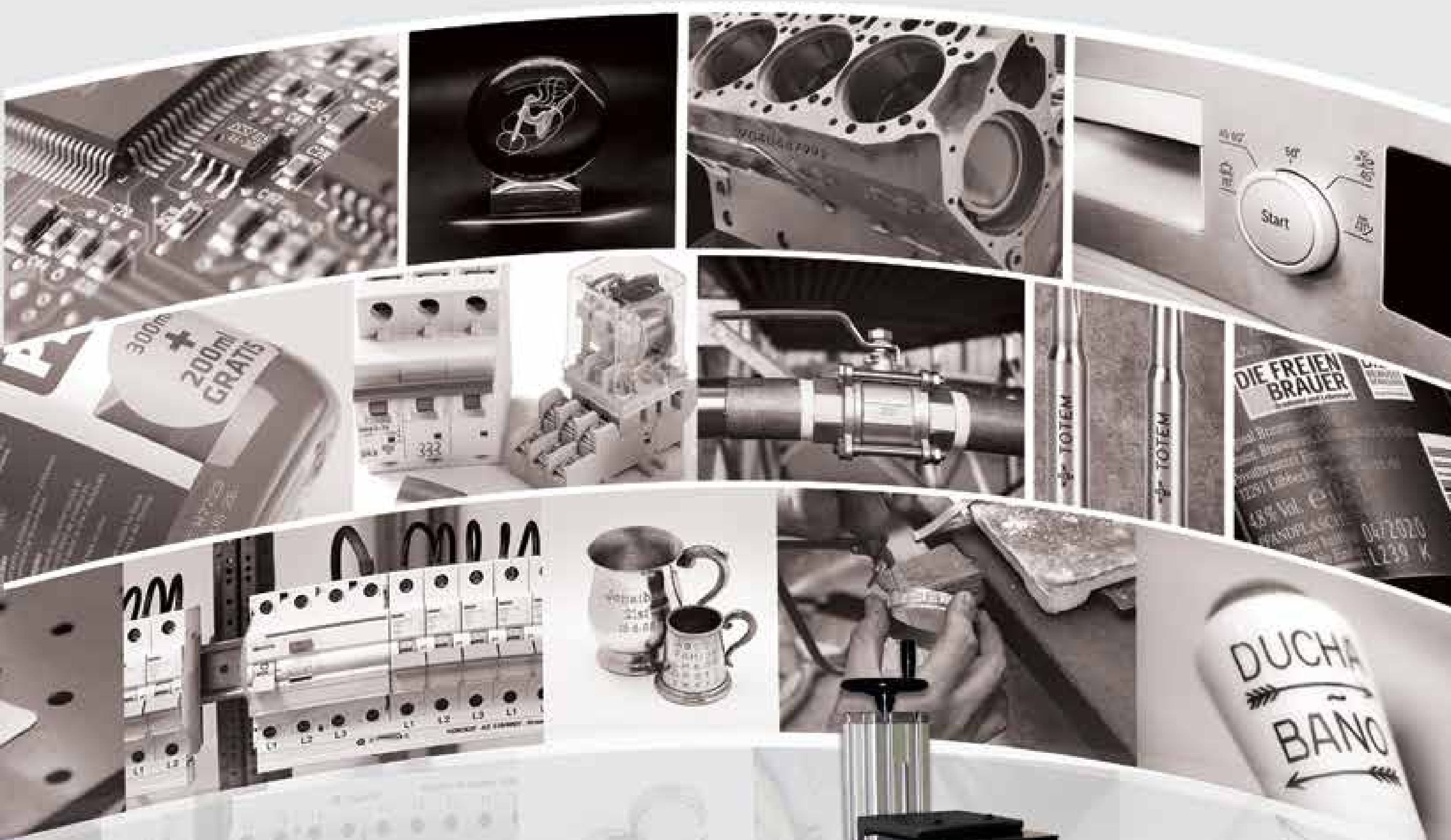

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Board of Directors

Shapoor P. Mistry	Chairman
Mahesh C. Tahilyani	Managing Director
D. Sivanandhan	Independent Director
Jai L. Mavani	Non-Executive Director
Rani Ajit Jadhav	Independent Director
Nikhil Bhatia	Independent Director

Chief Financial Officer

Nirmal Jagawat

Company Secretary & Compliance Officer

Pankaj Khattar (upto August 30, 2022)
Rupa Khanna (w.e.f August 31, 2022)

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

Registrars & Share Transfer Agents

TSR Consultants Private Limited
Unit: Forbes & Company Limited,
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg,
Vikhroli (West) Mumbai 400 083.
Tel: +91 81081 18484 Fax: +91 22 66568494
Email:csg-unit@tpclindia.co.in
Website: www.tcplindia.co.in

103rd Annual General Meeting of Forbes & Company Limited will be held on Thursday, September 29, 2022 at 3.00 p.m. (IST) through Video Conferencing ('VC') /Other Audio Visual Means ('OAVM)

The General Circulars issued by the Ministry of Corporate Affairs (MCA) Nos. 14/2020, read with 17/2020, 20/2020, 02/2022, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 December 14, 2021 and May 5, 2022 respectively and Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively, permit sending of the Annual Report (including the Notice of Annual General Meeting) to Members through electronic mode only.

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

103rd ANNUAL REPORT 2021-22

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NOTICE

NOTICE is hereby given that the 103rd Annual General Meeting of the Members of Forbes & Company Limited will be held on Thursday, September 29, 2022 at 3.00 p.m. through Video Conferencing (‘VC’) / Other Audio Visual Means (‘OAVM) 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, 2022 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, 2022 together with the Report of the Auditors thereon.

2. To appoint a Director in place of Mr.Jai Mavani (DIN:05260191), who retires by rotation and being eligible, seeks re-appointment.

3. Appointment of Statutory Auditors

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 139 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time and the recommendations of the Audit Committee and Board of Directors, M/s. Sharp &Tannan Associates, Chartered Accountants, Mumbai, (Firm Registration No.109983W), be and are hereby appointed as the Auditors of the Company, to hold office for a term of five (5) consecutive years commencing from the conclusion of 103rd Annual General Meeting till the conclusion of 108th Annual General Meeting of the Company, at such remuneration plus Goods and service tax, reimbursement of out of pocket expenses as may be approved by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. Ratification of remuneration to Cost Auditor

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

“Resolved that pursuant to the provisions of Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) (including any statutory modification(s) or re-enactment thereof), read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of ₹ 4.50 Lakhs plus applicable taxes and out of pocket expenses payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), the Cost Auditor appointed by the Board of Directors of the Company, to conduct the audit of the cost accounts of the Company for the financial year ending March 31, 2023 be and is hereby ratified and confirmed.

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

5. Commission to Non-Executive Directors

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

“Resolved that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act,2013 and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and, subject to other approvals as may be required, consent be and is hereby accorded to the payment and distribution of such sum by way of commission, not exceeding in aggregate, 1% per annum of the net profits of the Company for the financial year FY 2022-2023 to Non-Executive Directors of the Company, the quantum, proportion and manner of such payment and distribution to be made as the Board of Directors of the Company (herein after referred as “Board” which term shall include any duly authorised committee thereof) may from time to time decide.

Resolved further that the above remuneration shall be in addition to sitting fees and reimbursement of expenses for attending the meetings of the Board and/or other meetings being paid to the non-executive Directors.

Resolved further that in the event if in the financial year ended March 31, 2023, there are no profits or profits are inadequate, the Company shall pay to the Directors of the Company, (other than the Managing Director and the Whole-time Directors) commission by way of remuneration in accordance with the limits specified in Schedule V to the Companies Act, 2013 upto ₹ 1 crore in aggregate.

Resolved further that the Board be and is hereby authorised to do all such acts, deeds, matters and things including deciding on the manner of payment of commission and settle all questions or difficulties that may arise with regard to the aforesaid resolution as it may deem fit and to execute any agreements, documents, instructions, etc. as may be necessary or desirable in connection with or incidental to give effect to the aforesaid resolution."

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, August 13, 2022
Registered Office:
Forbes' Building, Charanjit Rai Marg, Fort,
Mumbai 400 001
Tel: +91 22 6135 8900, Fax: +91 22 6135 8901
Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website:www.forbes.co.in.

NOTES:

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

   Disclosure as required under Schedule V of the Companies Act, 2013 is annexed as Annexure "II" to this Notice.

2. This AGM is convened through Video Conferencing (VC/Other Audio-Visual Means (OAVM) pursuant to the General Circulars issued by the Ministry of Corporate Affairs (MCA) Nos. 14/2020 read with 17/2020, 20/2020, 02/2022, 21/2021 and 2/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, and May 5, 2022 respectively and Securities and Exchange Board of India Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 12, 2020, January 15, 2021 and May 13, 2022 respectively (hereinafter collectively referred to as 'Circulars') which allow the companies to hold AGMs through VC/OAVM. **The deemed venue of the AGM shall be registered office of the Company.**

   In compliance with the aforesaid circulars issued by MCA and SEBI, Notice of the AGM along with the Annual Report for the Financial Year 2021 – 2022 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. No Physical copies of the Annual Report will be sent to the Members except to those Members who have requested for physical copy of the Annual Report. Notice and Annual Report for the Financial Year 2021-2022 are also available on the website of the Company www.forbes.co.in

   Members holding shares in physical mode and whose email IDs are not registered, are requested to register their email ID with TSR Consultants Private Limited (RTA) at csg-unit@tcplindia.co.in or investor.relations@forbes.co.in, by sending a duly signed Form ISR-1 mentioning their Name as registered with the RTA, Address, email ID, Mobile Number, self-attested copy of PAN, DPID/Client ID or Folio Number and number of shares held. Shareholders holding shares in dematerialized mode are requested to register/ update their email address with the relevant Depository Participants.

3. Since the AGM is being held pursuant to the Circulars issued by the Ministry of Corporate Affairs through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly the facility to appoint a proxy by a Member will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Act. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their vote through remote e-voting.

4. Institutional / Corporate Members are requested to send to the Company a scanned copy (pdf/Jpg format) of certified Authorisation/Board Resolution with attested specimen signature of the duly authorized signatory(ies) who are authorised to participate in the AGM through VC/OAVM on their behalf and to vote through remote e-voting to the Scrutiniser by email to scrutinisers@mmjc.in with a copy marked to evoting@nsdl.co.in

5. **The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive).**

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

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

8. **Members who wish to claim dividend of earlier years, which remain unclaimed, are requested to either correspond with the Company or the Registrar and Share Transfer Agents, TSR Consultants Private Limited, Unit: Forbes & Company Limited, C-101,1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (west), Mumbai 400 083.**

   In terms of Section 124 of the Act, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and

Protection Fund (IEPF). Members are requested to ensure that they claim the dividends referred above, before it is transferred to the said Fund.

Due dates for transfer of unclaimed and unpaid dividends declared by the Company to IEPF are as under:

Financial Year ended	Date of declaration of dividend	Due date for transfer to IEPF
March 31, 2017	August 24, 2017	September 28, 2024
March 31, 2018	September 25, 2018	October 30, 2025
March 31, 2019	August 26, 2019	September 30, 2026

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

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on September 16, 2021 (date of last AGM) on the website of the Company, www.forbes.co.in

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

Members whose unclaimed dividends/shares have been transferred to IEPF, can claim the same from the IEPF Authority by following the procedure as detailed on the website of IEPF Authority http://www.iepf.gov.in/IEPF/refund.html

9. As per Regulation 40 of SEBI LODR, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

   SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021 had mandated all the listed companies to record the PAN, Address with PIN code, Email address, Mobile Number, Bank Account details, Specimen Signature and Nomination by holders of physical shares/securities. The Company has vide its circular dated February 5, 2022 requested all the shareholders holding shares in physical form to complete updation of PAN, KYC details and Nomination failing which the Ledger Folios of non-compliant shareholders will be frozen as per the above circular on or after April 1, 2023.

   Members can contact the Company or Company's Registrars and Transfer Agents, TSR Consultants Private Limited ('RTA') for assistance in this regard.

10. **Members desiring any additional information/ clarification on the Financial Statements are requested to send such requests at the earliest through email on investor.relations@forbes.co.in on or before September 23, 2022. The same will be replied by the Company suitably at the AGM.**

11. Members desiring inspection of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act during the AGM may send their request in writing to the Company to investor.relations@forbes.co.in by September 23, 2022.

12. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

14. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 103rd AGM through VC/OAVM Facility and e-Voting during the 103rd AGM.

15. Members may join the 103rd AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members 30 minutes before the time scheduled to start the 103rd AGM and 15 minutes after the scheduled time to start the 103rd AGM.

16. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of upto 1,000 Members on a first-come-first-served basis. The large Members (i.e. Members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 103rd AGM without any restriction on account of first-come first-served principle.

17. **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 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, through e-Voting Services provided by National Securities Depository Limited (NSDL). Those Members participating in the AGM through VC/OAVM Facility and who have not cast their vote by remote e-voting shall be able to exercise their right to vote through e-voting system during the AGM.

II. The members who have cast their vote by remote e-voting prior to the AGM may also participate in the AGM through VC/OAVM Facility but shall not be entitled to cast their vote again.

III. The remote e-voting period commences on Monday, September 26, 2022 (9:00 am) (IST) and ends on Wednesday, September 28, 2022 (5:00 pm) (IST). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Thursday, September 22, 2022 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.

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

<u>How do I vote electronically using NSDL e-Voting system?</u>

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

<u>Step 1: Access to NSDL e-Voting system</u>

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	4. Shareholders/Members can also download NSDL Mobile App **"NSDL Speede"** facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/ Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e.**NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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 'Shareholder/Member' section.

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

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

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:

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

   b) 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.

   c) 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

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

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

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

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

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

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

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

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

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

4. 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.

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

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

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

General Guidelines for Members

1 Institutional Members (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 Members and e-voting user manual for Members 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 or contact Mr. Amit Vishal or Ms. Pallavi Mhatre from NSDL.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor.relations@forbes.co.in/

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor.relations@forbes.co.in. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General Meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.

3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views during the AGM may per-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, demat account number/folio number, PAN, mobile number at investor.relations@forbes.co.in.between September 20, 2022 (9.00 am IST) to September 27, 2022 (5.00 pm IST). Those Members who have registered themselves as a speaker will only be allowed to express their views during the AGM. The Company reserves the right to restrict the number of speakers depending on the available of time for the AGM.

A. Other Instructions:

I. 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 22, 2022 as per the Register of Members/Statements of beneficial ownership maintained by the Depositories, i.e., NSDL and CDSL. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. September 22, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tcplindia.co.in/

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

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

III. 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 or casting vote through e-voting system during the meeting.

IV. Makarand M. Joshi and Co., Practicing Company Secretaries has been appointed as the Scrutiniser for providing facility to the Members of the Company to scrutinise the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.

V. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance or as a speaker at the AGM, formally propose to the Members participating through VC/OAVM Facility to vote on the resolutions as set out in the Notice of the 103rd AGM and announce the start of the casting of vote through the e-Voting system. After the Members participating through VC/OAVM Facility, eligible and interested to cast votes, have cast the votes, the e-Voting will be disabled by NSDL for voting 15 minutes after conclusion of meeting.

VI. The Scrutiniser shall after the conclusion of voting at the AGM, will first download 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 scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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

ANNEXURE TO NOTICE
Statement Pursuant to Section 102 (1) of the Companies Act, 2013 ("Act")
The following explanatory statement sets out material facts relating to the special business set out in the accompanying Notice of Annual General Meeting ("AGM"):

Item No. 3

Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration No. 012754N/N500016) were appointed as the Statutory Auditors of the Company at the 98th Annual General Meeting of the Company held on August 24, 2017 for a term of 5 year to hold office from the conclusion of Ninety Eight Annual General Meeting until the conclusion of the One Hundred Third Annual General Meeting. Price Waterhouse Chartered Accountants LLP will complete their first term on the conclusion of One Hundred Third Annual General Meeting.

The Board of Directors of the Company at their meeting held on August 13, 2022, on recommendations of the Audit Committee, considered and subject to the approval of the Members at the ensuing Annual General Meeting approved the appointment of M/s Sharp & Tannan Associates, Chartered Accountants (ICAI Firm Registration No.109983W) as the Statutory Auditors of the Company who shall hold office from the conclusion of the ensuing One Hundred Third Annual General Meeting until the conclusion of One Hundred Eight Annual General Meeting on such terms and conditions as determined by the Board from time to time.

The Audit Committee of the Board of Directors considered various parameters like its own size of operations, the audit firm's capabilies, ability to work in diverse businesses, audit experience, clientele, technical knowledge and considered M/s Sharp & Tannan Associates, Chartered Accountants to be suitable for appointment as statutory auditors.

It is therefore proposed to appoint M/s Sharp & Tannan Associates, Chartered Accountants as Statutory Auditors of the Company in place of Price Waterhouse Chartered Accountants LLP for a period of five years at remuneration of ₹ 35 lakhs (Rupee Thirty Five Lakhs only) plus out of pocket expenses and taxes for the financial year ending March 31, 2023.

M/s Sharp & Tannan Associates, Chartered Accountants (ICAI Firm Registration No.109983W) have the experience of handling various large listed and multi national companies for statutory audit as well as other services.

As required under section 139 of the Companies Act, 2013, M/s Sharp & Tannan Associates, Chartered Accountants vide their letter dated August 11, 2022 informed the Company that their appointment, if made, shall be in compliance of Section 139 and 141 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014.

There is no material change in the fees considering the size of the Company after the effect of the Composite Scheme of Arrangement of demerger of the Health, Hygiene, Safety Product and Services undertaking into Forbes Enviro Solutions Limited / Eureka Forbes Limited.

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, the Resolution at Item No. 3 of the Notice.

The Board recommends the passing of this Resolution at Item No. 3 of the accompanying Notice in the interest of the Company.

Item No. 4

The Board of Directors have approved the appointment of M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294) as cost auditors of the Company at a remuneration of ₹ 4.50 lakhs (Rupee Four Lakhs Fifty Thousand only) plus out of pocket expenses for the financial year ending March 31, 2023.

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 needs 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, 2023.

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

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

Item No. 5

The Company's Non-executive Directors are professionals with high level of expertise and have rich experience in functional areas such as business strategy, business development, corporate governance, finance & taxation, security-IT domain expertise, risk management amongst others.

Non-executive Directors are actively involved in various decision-making process and are making valuable contributions towards business development, governance, long term strategy and compliances.

Regulatory requirements, corporate governance norms have been strengthened by the Companies Act, 2013 (Act) and the SEBI LODR with key emphasis on effective governance, risk management, statutory compliances etc. and thereby placing increased accountability on the Board. The role and responsibilities of the Board particularly the Non-executive directors have increased more requiring greater time commitments and attention, which reflects in the financial performance.

The threshold limit prescribed for commission under Section 197 of the Act is 1% of the net profits of the Company if there is a Managing Director. However, sitting fees paid to the Non-Executive Directors are outside the purview of the above limits.

The Board has at its meeting held on August 13, 2022, on recommendation of Nomination and Remuneration Committee, subject to the approval of the Members, approved payment of commission not exceeding in aggregate, 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013 to the Non-Executive Directors of the Company for FY 2022-2023.

In the event there are no profits or profits are inadequate, the Company shall pay to the Non-Executive Directors of the Company commission by way of remuneration in accordance with the limits specified in Schedule V to the Companies Act, 2013 upto ₹ 1 crore in aggregate.

Non-executive Directors along with their relatives are deemed to be concerned or interested, financially or otherwise in the Resolution at Item No.5 of the Notice to the extent of the share of commission that may be received by them. Managing Director and other Key Managerial Personnel of the Company and their relatives are not interested in this resolution. Disclosure required under Schedule V to the Company Act, 2013 is given in Annexure II to this Notice.

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, August 13, 2022

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

Annexure "I"

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
Director Identification Number (DIN)	05260191
Date of Birth	September 4, 1971
Date of first Appointment on Board	May 22, 2012
Qualification	B.Com, ACA
Relationships between directors inter-se	Not related to any Director/Key Managerial Personnel 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.
List of Directorship held in Other Public Companies in India (excluding Private and Section 8 Companies)	1. Forbes Technosys Limited 2. Gopalpur Ports Limited
Chairmanship / Membership of the Committees of Audit Committee and Stakeholders Relationship Committee of other Indian Public Companies	Nil
No. of shares held in the Company	1,532
Attendance at the Board Meeting in the Financial Year 2021 –2022	No. of Meetings held: 9 Attended: 9
Details of proposed remuneration	Except for sitting fees for attending the meetings of the Board and Committees no other remuneration is currently paid/payable to Mr. Jai L Mavani

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, August 13, 2022

Registered Office:
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Mumbai 400 001
Tel: +91 22 6135 8900, Fax: +91 22 6135 8901
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CIN: L17110MH1919PLC000628
Website:www.forbes.co.in

Annexure "II"

Disclosure as required under Schedule V to the Companies Act, 2013 is given hereunder:

I. General Information

<table>
<tr><td>1.</td><td>Nature of Industry</td><td>Manufacturing of light engineering goods viz. threading tools, high speed steel taps, dies and die nuts, Industrial Automation Projects and Services and Realty.</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production.</td><td>The Company is in commercial production since the year 1919.</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.</td><td>Not Applicable.</td></tr>
<tr><td>4</td><td>Financial Performance on key indicators</td><td>Standalone Financial Performance
₹ in lakhs
<table>
<tr><th></th><th>FY 2019-20</th><th>FY 2020 -21</th><th>FY 2021-22</th></tr>
<tr><td>Revenue from operations and Other income</td><td>20,241</td><td>57,574</td><td>24,875</td></tr>
<tr><td>Total expenses</td><td>22,300</td><td>45,225</td><td>22,730</td></tr>
<tr><td>Profit /loss before tax (continuing operations)</td><td>(2,578)</td><td>911</td><td>4,12,235</td></tr>
<tr><td>Profit/loss after tax (continuing operations)</td><td>(2,455)</td><td>(3,103)</td><td>4,13,294</td></tr>
</table>
Consolidated Financial Performance
₹ in Lakhs
<table>
<tr><th></th><th>FY 2019-20</th><th>FY 2020 -21</th><th>FY 2021-22</th></tr>
<tr><td>Revenue from operations and Other income</td><td>2,76,773</td><td>1,00,572</td><td>54,917</td></tr>
<tr><td>Total expenses</td><td>2,89,688</td><td>91,451</td><td>54,875</td></tr>
<tr><td>Profit /loss before tax (continuing operations)</td><td>(33,752)</td><td>(2,994)</td><td>(33,775)</td></tr>
<tr><td>Profit/loss after tax</td><td>(33,503)</td><td>(9,018)</td><td>(32,747)</td></tr>
</table>
</td></tr>
<tr><td>5.</td><td>Foreign Investment or Collaborators, if any.</td><td>There is no direct foreign investment in the Company except to the extent shares held by Foreign Institutional Investors (FII) acquired through secondary market. There is no foreign collaboration in the Company.</td></tr>
</table>

ii. Information about the Director's

Sr. No.	Particulars	Mr. Shapoor P. Mistry	Mr. D. Sivanandhan	Mr. Jai L Mavani
1.	Background details.	Mr. Shapoor P. Mistry aged 57 years has over 35 years of experience in formulation of business plans, risk evaluation, business investment, strategy and funds management and property development. He is B.A. (England) in Business & Economics	Mr. D. Sivanandhan is a Post Graduate in Economics. He joined IPS during 1976 being allotted to Maharashtra State where he served in different capacities all over the State. He retired as the Director General of Police of Maharashtra State during 2011. He is currently on the Board of Directors of various companies.	Mr. Jai L. Mavani is Bachelor of Commerce and Chartered Accountant. He 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 fund raising, business structuring, Mergers & Acquisitions, tax & regulatory and investment.
2.	Past Remuneration	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. Shapoor P. Mistry. The details of sitting fees paid are as follows: ₹ in Lacs FY 2019-20: 1.50 FY 2020 -21: 0.50 FY 2021-22: 1.50	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. D. Sivanandhan. The details of sitting fees paid are as follows: ₹ in Lacs FY 2019-20: 6.50 FY 2020 -21: 9.00 FY 2021-22: 9.50	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. Jai Mavani. The details of sitting fees paid are as follows: ₹ in Lacs FY 2019-20: 3.50 FY 2020 -21: 5.00 FY 2021-22: 5.00
3.	Recognition or Awards	N.A.	▪ Meritorious Service Medal (1993) ▪ Internal Security Medal (1998) ▪ President's Distinguished Service Medal (2000)	N.A.
4.	Job profile and his suitability	Mr. Shapoor P. Mistry has over 35 years of strong experience in India and has skills / expertise in formulation of business, strategy and business development, build and nature talent, marketing and communication, business governance and administration	Mr. D. Sivanadhan has skills and expertise in Public Policy and General Administration, Business Development, Business and Corporate Governance, Security -IT Domain Expertise.	Mr. Jai Mavani has skills and expertise in Fund raising, business structuring, Finance and Tax, Mergers & Acquisition and Business Governance.
5.	Remuneration proposed	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2022-23. For the year FY 2022-23 the proposal is to pay an amount of ₹ 15 lakhs each to all Non-Executive Directors.	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2022-23. For the year FY 2022-23 the proposal is to pay an amount of ₹ 15 lakhs each to all Non-Executive Directors.	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2022-23. For the year FY 2022-23 the proposal is to pay an amount of ₹ 15 lakhs each to all Non-Executive Directors.
6.	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.
7	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.	Mr. Shapoor P. Mistry is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.	Mr. D. Sivanandhan is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.	Mr. Jai Mavani is holding 1532 equity shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.

Sr. No.	Particulars	Ms. Rani A Jadhav	Mr. Nikhil Bhatia
1.	Background details.	Ms. Rani A Jadhav is a Bachelor of Arts (Hons) and has a Post Graduate Diploma, Development Administration from University of Birmingham, UK. She is an IAS (retd) having worked for 38 years in the Indian Administrative Services before retiring from the position of the Chairperson, Mumbai Port Trust in the rank of Secretary, Government of India.	Mr. Nikhil Bhatia is a Chartered Accountant with over 37 years of experience inter alia in the areas of corporate tax, transfer pricing, Expatriate Taxation, Foreign Exchange Regulations. He was the partner of CNK & Associates LLP, Mr. Bhatia had been with KPMG for 13+ years and with PWC for 10+ years.
2.	Past Remuneration	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Ms. Rani A Jadhav. The details of sitting fees paid are as follows: ₹ in Lacs FY 2019-20 — 4.00 FY 2020 -21 — 5.50 FY 2021-22 — 5.00	Except for sitting fees for attending the meeting of Board and Committee thereof, no other remuneration is paid to Mr. Nikhil Bhatia. The details of sitting fees paid are as follows: ₹ in Lacs FY 2019-20 — 6.50 FY 2020 -21 — 8.50 FY 2021-22 — 9.00
3.	Recognition or Awards	N.A.	Recognised by Global Bhatia Foundation for his achievement in reaching the coveted positions of Partner in India Member firms of KPMG and PWC as also for inspiring young chartered accountants for achieving higher positions. He has achieved all India Rank 47 in his Intermediate and Rank 25 in the Final Examination Chartered Accountancy.
4.	Job profile and his suitability	Ms. Rani Jadhav during her IAS held a number of senior positions in government both at the Central and State levels and therefore is well acquainted with all aspects of public administration in India. She was associated with the highest levels of decision making in the government.	Mr. Nikhil Bhatia has wide experience in Corporate Tax, Transfer Pricing, Business Restructuring, Expatriate Taxation, Company Law and Foreign Exchange Regulations and Foreign Direct Investments.
5.	Remuneration proposed	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2022-23. For the year FY 2022-23 the proposal is to pay an amount of ₹ 15 lakhs each to all Non-Executive Directors.	Commission to all non-executive directors, not exceeding in aggregate 1% per annum of the net profits of the Company and/or as per Schedule V of the Companies Act, 2013 for FY 2022-23. For the year FY 2022-23 the proposal is to pay an amount of ₹ 15 lakhs each to all Non-Executive Directors.
6.	Comparative remuneration profile with respect of industry, size of Company, profile of the position and person (in case of expatriates the relevant details would be with reference to the country of his origin.)	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.	Taking into account the size of the Company, industry benchmark in general, profile, position, responsibility and the current performance the proposed remuneration is in line with the current remuneration structure of the industry.
7	Pecuniary relationship directly or indirectly with the Company or the relationship with the Managerial Personnel, if any.	Ms. Rani A Jadhav is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.	Mr. Nikhil Bhatia is not holding any shares of the Company. There is no other pecuniary relationship with the Company or the Managerial Personnel.

III. Other Information:

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

   The Company intends to pay commission upto 1% of net profits only. However minimum remuneration in the event of inadequate profits is being proposed as an abundant caution.

IV. Other Disclosures:

The necessary disclosures required under Part IV of Section II of Part II of Schedule V to the Companies Act, 2013 are disclosed in the Corporate Governance report to the extent applicable.

By Order of the Board

Pankaj Khattar
Head Legal & Company Secretary

Mumbai, August 13, 2022

Registered Office:
Forbes' Building, Charanjit Rai Marg, Fort,
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Email: investor.relations@forbes.co.in
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in

REPORT OF BOARD AND MANAGEMENT DISCUSSION AND ANALYSIS

Dear Members,

The Board of Directors hereby submit the report of the business and operations of the Company along with the Audited Financial Statements of the Company for the Financial Year (FY) ended March 31, 2022. 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 Lakhs

Particulars	Standalone		Consolidated	
	FY 21-22	FY 20-21	FY 21-22*	FY 20-21
Revenue and Other Income (Total Income)	24,875	57,574	54,917	1,00,572
Earnings before Finance Cost, Depreciation, Share of Net Profit of Joint ventures Exceptional Item & Tax	4,687	15,153	8,388	21,093
Share of Net Profit of joint venture	-	-	1,204	483
Profit / (Loss) after Finance Cost, Depreciation, Share of Net profit of Joint ventures and before Exceptional Items & Tax	2,144	12,348	1,246	9,604
Exceptional Items - Income/(Expense)	4,10,091	(11,438)	(35,021)	(12,597)
Profit before Tax (PBT)	4,12,235	911	(33,775)	(2,994)
Profit/(loss) after tax for the year from continuing operations	4,13,294	(3,103)	(32,747)	(9,018)
Profit/(loss) before tax from discontinued operations	-	-	4,57,305	(653)
Tax Expense	(1059)	4013	(2,079)	(1,990)
Profit/(loss) for the year from discontinued operations	-	-	4,55,227	(2,643)
Other Comprehensive Income (net of tax)/(Loss)	22	(34)	6,500	2,248
Total Comprehensive Income	4,13,316	(3,136)	4,28,979	(9,413)
Earnings Per Share - Basic and Diluted (₹) (Continuing operation)	3203.83	(24.05)	(256.37)	(40.24)
Earnings Per Share - Basic and Diluted (₹) (Discontinued operations)	-	-	3,575.39	(20.76)

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

* The results are not comparable because of the effect of the Composite Scheme of Arrangement between Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited and their respective Shareholders and simultaneous demerger of Health, Hygiene, Safety Products and Services Undertaking with effect from February 1, 2022. The Health, Hygiene, Safety Products and Services Undertaking is considered as discontinued business for the period April 1, 2021 to January 31, 2022 for the purpose of this reporting in line with Ind AS requirements.

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

General Performance and Outlook

The first quarter of FY 2021-22 witnessed the second Covid-19 wave with a surge of cases which resulted in hospitalisations and deaths, which put a serious strain on the health infrastructure for that period. The country witnessed lockdowns with the state governments restricting mobility and several activities. The Government continued its efforts and was successful in mitigating the impact of the pandemic. In addition to the above, the operating environment during the year remained extremely challenging and was marked by heightened uncertainty and volatility due to unprecedented inflationary headwinds; disrupted supply chains having a global impact and last but not the least the financial year ended with geopolitical tensions towards the end of the year which exacerbated the situation.

In spite of the challenges, the Company's personnel and its leadership / management rose to the occasion with its consumer-centricity, improving the product availability by focused attention on execution with agility and speed. The learnings from the previous Covid -19 wave and the proactive strategic and tactical interventions enabled your Company to continue to deliver much better than the pre-pandemic levels.

Performance and outlook

The Company has a tradition of excellence and total customer delight as its singular aim. The main businesses of the Company are Engineering and Realty. During the year, major actions have been taken in various areas and the key points are being summarized as follows:

- There was a demand for some time from minority shareholders to work towards creating value by listing the shares of Eureka Forbes Limited separately on the stock exchange(s). With a view to get the optimal value for the shareholders, Eureka Forbes Limited and a few subsidiaries (but excluding the Lux entities) were consolidated, merged and then Health, Hygiene, Safety Products and Services undertaking was demerged for listing vide a Composite Scheme of Arrangement. The details thereof are also mentioned separately in this report. Your Company believed that this was the most appropriate method and accordingly the process of finally listing Eureka Forbes Limited was undertaken and successfully concluded. The end result was that the shareholding of Eureka Forbes Limited was replicated in the same proportion as the original holding in Forbes & Company Limited.

- Your Company had signed a term sheet on February 23, 2022 for the sale of 100% of its shareholding in its subsidiary Forbes Facility Services Private Limited. After due diligence and negotiations the Final Agreement, subject to conditions precedents and other actions was also concluded on May 20, 2022. The gross deal value is ₹ 42 Crores, subject to conditions precedent and adjustments stated in the agreement. The details thereof are also mentioned separately in this report.

- Your Company also has signed an Agreement for Sale of its parcel of land owned in Chandivali, Mumbai for ₹ 235 crores. Presently, the condition precedents and related actions for completion of sale, barring unforeseen situations, are being complied and the conclusion of the transaction is expected to be completed by June 2022. This action, when completed will provide good liquidity for better effectiveness of the Company's operations.

- Shapoorji Pallonji Forbes Shipping Limited (SPFSL) was a subsidiary by virtue of a Joint Venture Agreement signed between all shareholders. This management agreement was terminated on February 28, 2022 and SPFSL has ceased to be a subsidiary of the Company.

- Further, the outstanding ECB loan of USD 70,13,500 in our then subsidiary Shapoorji Pallonji Forbes Shipping Limited (SPFSL) has been repaid. SPFSL has now sold all the vessels and all of the outstanding loans have now been paid off. The Company now has a surplus of approximately ₹ 100 crores parked in liquid assets as on date. The company was also operating under "One Time Restructuring" and with the repayment of the said loan, it is no longer subject to conditions imposed under the "One Time restructuring scheme".

- The operations of Forbes Technosys Limited (FTL), a wholly owned subsidiary, has been substantially rationalised and the loans have also been reduced from ₹ 74.20 Crores to ₹ 26.80 Crores over the last 12 months under review. All of the bank repayments amounts have been funded by your Company by investment in FTL either as equity or as Inter Company Deposits (ICDs). The loans of FTL are guaranteed by Forbes & Company Limited and FTL, given its liquidity position was unable to meet its obligations and were hence supported by the parent Forbes & Company Limited.

- One of our subsidiary Forbes Campbell Finance Limited holds 1,66,398 shares of Forbes & Company Limited since last many years. In view of the Composite Scheme of arrangement, it received 24,95,970 additional equity shares of new Eureka Forbes Limited, as a result of holding of the shareholding of Forbes Company Limited. The market value of these shares of your Company has increased from ₹ 28 crores (@₹1725 per share) to ₹ 104 crores (@₹ 410 for Forbes and ₹ 391 for EFL) as on March 31, 2022 as compared to March 31, 2021.

- Some of the subsidiaries of erstwhile Eureka Forbes Limited have been retained in Forbes & Company Limited and taking conservative approach, we have taken an impairment of the full book value of ₹ 329.36 Crores as on 31st March, 2022. Necessary approvals, if any, have been obtained w.r.t. the said matter. Consequent to this impairment taken as a provision in the accounts, the Board and Management of Forbes & Company Limited has eliminated all future risks related to these companies, except in situation, where fresh investments are agreed in the future, based on a good business case etc.

Consequent to the above developments/actions, your Company now has a better bandwidth and resources available to handle and address the key areas – namely Engineering business (Precision Tools and Industrial Automation) and Real Estate business. Your Company has therefore taken aggressive targets to leverage on the competencies and the capabilities created with the new situation.

Engineering Division

The Engineering business set a vision of Profitable growth for FY22 & delivered 30% Year on Year (YoY) profitable growth & delivered remarkable recovery after first quarter slowdown due to Covid-19 pandemic. Major global markets were either under lockdown or partially operating which also impacted the exports. Inflationary trends in commodity prices & material shortages due to logistic disruptions added to the pressures of that time.

Forbes Engineering business continued to strengthen its capabilities in product development, capacity building & improving efficiencies of operation through strengthening the supply chain aspects and processes of the business.

Precision Tools Group (PTG)

PTG group had a unique portfolio which comprised of High Speed Steel (HSS) and High Performance Taps (HPT) including Solid Carbide Taps (SCT), Tungsten Rotary Burrs (TCRB) and Carbon Taps and Dies (CST/D). With a view to enlarge the portfolio, further investments in machinery and facilities were made and the Drills and Hand tools (Forbes Kendo) portfolio was developed to increase the market share. Fortunately, our brand strength supported our marketing initiatives and we have seen a positive traction on the demand side. Given the commodity cost pressures we had limited choice but to increase prices in some categories which were accepted by the trade.

During the year, we expanded our regional coverage within India as well. Internationally though, given the Covid scenario, we saw lower consistent demand from the channel, particularly in Europe and South East Asia (SEA).

PTG portfolio had reasonable success in Aerospace & Die and Mould sector and could make inroads into these sectors during the year. We believe, the investments made with these sectors will lead to higher business in the upcoming years. Auto sector which is still major revenue contributing sector for engineering business had been mixed bag. Farm equipment & two wheelers had done well in first half but were facing shortages in electronic components which impacted their production, which in turn had a negative impact on our products. We believe this is a postponed demand and we hope to see revival soon in this sector.

All products in PTG portfolio have shown YoY growth. HSS Taps, CST, & HSS Drills have shown YoY growth. We have enhanced portfolio in High Performance taps by introducing, Nib Taps, Powder metallurgy through coolant taps for difficult / complex machining solutions. Carbide have seen development in dies & mould and Aerospace material application. PTG also launched long drills, Totem Express range in SCT & TCRB, HSS drills Case set, HSS End Mills & Torque wrenches in its overall portfolio. Medical segment also has started accepting Totem branded cutting tools for implant machining. In line with continued effort to grow exports business we launched Totem Express range in TCRB & SCT tools in SEA & Middle East (ME). Our growth story of exports has two-way approach Totem brand penetration in focused geographies & long-term contracts with big OEM. We are covering focused geographies by having sales personnel in SEA, ME & America.

PTG continued to invest in capacity expansion in focused products to meet increased market demand. PTG invested heavily in HSS drills & strengthening Designing software and strengthened Supply Chain function & Demand planning to create a better customer experience and capacity augmentation for standard product portfolio which also resulted in better customer services.

As a part of Engineering business vision of “Profitable growth” we continued our efforts of enlarged coverage of markets, new product development combined with productivity improvements and Value engineering.

Engineering business infused additional talent to cover unrepresented territories and to build succession plan in the sales function. PTG launched long drills, Totem Express range in SCT & TCRB. PTG also launched HSS drills Case set, HSS End Mills & Torque wrenches in Hand tools portfolio. Medical segment started accepting Totem branded cutting tools for implant machining.

Totem Brand been recognized as best metal cutting tools Brand by professional forums / Chambers and agencies which conduct annual / bi-annual recognition events

Industrial Automation and Coding Business Group (CBG)

There was a small positive turnaround in this segment. This was being achieved by closing old projects, which were held back due to covid related issues, managing receivables, and aggressive initiatives in value engineering & cost reduction compounded with good project management execution.

CBG laser portfolio made inroads to big auto OEMs with complete solution for metal marking. CBG successfully completed 16 projects during the year. CBG also built race cone presses & VIN marking machines as part our project undertaken for the customer.

Bradma brand has now built comprehensive portfolio in laser to cater all categories of material marking & traceability. Bradma have now Fiber, Co2 & UV lasers systems which can cater to entire industry segment. We now have products in metal and non-metals segment. Product branding & regulatory requirement is going to be a growth driver for this business.

CBG business continued to focus on core competencies in marking traceability, scanning, vision, robotics, and systems integration. We are scaling up in special purpose machines for the auto sector. CBG too implemented price increase in AMS, CMS product portfolio to compensate for the increased input cost.

During the year FY 2020-21 we have also developed our own non-ICU and ICU ventilator with all ISO certification & CDSCO approval. Devices are presently under USFDA approval which is expected in the near future.

Green Manufacturing

The Company has invested in a rooftop solar power plant of 1MW which continued to give power saving & improving use of green power.

Centralized oil filtration system changed to low viscosity oil resulted into lower evaporation rate which resulted in saving of oil consumption by 12% in HSS drills plant.

Waluj factory tree plantation drive initiated toward green initiative & Sewage Treatment Plant (STP) water is being processed and used for Green Development/ Garden resulting in more saving of more than 4000 kl of water every year. Rain water harvesting helps in saving another 1500 kl water every year.

Company's product & system Quality Certifications: The Company has obtained following Certifications/Re-Certifications during FY 2021-2022:

- IATF 16949 recertification for Spring Washers
- CDSCO approval for ICU Ventilator
- ISO 9001-2015 recertification for PTG & CBG
- Achieved AS 9100 certifications for Aerospace sector in SCT product line .
- Recertification of IATF 16949 in Spring Washers
- CDSCO approvals for mechanical & ICU ventilators
- ISO 9001/2015 for medical devices
- ISO 13485 /2016 for medical devices

Project Vicinia, Chandivali

Your Company faced severe challenges with respect to its Real Estate development project due to the pandemic situation, which restricted the availability of labour personnel during FY 2020-21 and in FY 2021-22. Consequently, there have been some financial impact on the project due to delays which were beyond the control of the operational team.

The Company has now sold all 167 flats of Phase 1 (Towers A, B, C, D & F) Towers which are now complete and for which it has already obtained the occupancy certificate as well in January'2021.

85 flats out of total 127 flats in Phase II (Towers E, G & H) have been sold. Phase II of the Project Vicinia has progressed adequately in terms of RCC structure / Brick work but is expected to be delayed till the first quarter of FY 2023-24.
The sale of the project was expedited and facilitated by the competitive pricing offered and the initiative provided by the Government of Maharashtra w.r.t reduced Stamp duties for a specific period.

While majority of customers have already paid full amounts for taking possession for Phase I flats, and some dissatisfied customers have filed complaints with the MahaRera and these are being handled in conformance with the provisions of the law. The management is of the opinion that there will be no material impact due to these demands, most of them exaggerated beyond the interpretation of the contracts and are hopeful that these parties will seek an amicable resolution in due course.

Chandivali Land

Your Company has entered into Agreement for Sale (AFS) with Equinix India Private Limited for sale of approximately 15,394.50 square meters of land at Chandivali, Mumbai for a consideration of ₹ 235 Crores. The completion of the said Transaction subject to fulfilment of conditions precedent is expected to be completed in Q1 of FY 2022-2023.

Composite Scheme of Arrangement

Eureka Forbes Limited ceased to be subsidiary of the Company with effect from February 1, 2022 consequent upon the Composite Scheme of Arrangement for amalgamation and vesting of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited with and into Eureka Forbes Limited and amalgamation and vesting of Eureka Forbes Limited with and into the Company and demerger of Health, Hygiene, Safety Products and Services Undertaking or Health and Safety Solutions Undertaking ('Demerged Undertaking') Forbes Enviro Solutions Limited (now known as Eureka Forbes Limited)

As per Para 33 of the Scheme, in consideration for the Demerged Undertaking Forbes Enviro Solutions Limited (now known as Eureka Forbes Limited) issued and allotted 15 (fifteen) fully paid-up equity shares of ₹ 10 each to the equity shareholders of the Company (whose names appeared in the register of members as on February 11, 2022) against 1 (one) fully paid-up equity share of ₹ 10 each held by them in the Company. The shares of Eureka Forbes Limited are listed and traded on BSE Limited.

Upon the Scheme coming into effect the following subsidiaries of erstwhile EFL are now direct subsidiaries of the Company-

EFL Mauritius Ltd
Forbes Facility Services Private Limited
Forbes Lux International AG *
Lux Professional SA *
Lux International AG *
Lux Oesterreich Gmbh *
Lux Schweiz AG *
Lux International Services & Logistics Gmbh *
Lux Hungaria Kereskedelmi Kft *
Lux del Paraguay SA *
Lux Welity Polska sp.zo.o *
* Hereinafter collectively referred as Lux Group

Lux Group:

Lux Group companies handled the pandemic situation overall quite well considering pandemic situation and registered a modest growth of +4 % in 2021. Its new generation products viz. Air Purifiers (Aeroguard S and Aeroguard SENSE), Water Purifiers (Waterguard THIN) and Steam Cleaners (EcoLux NEO) were well received in the market. The consolidated net losses of the past five years have put a strain on its cash position. The Covid-19 pandemic, distorted supply chains, increase in prices of primary materials, war in Ukraine poses a challenge to the business of Lux Group companies.

Forbes Technosys Limited (FTL)

The year under review has been quite a challenging year for FTL, just like most organizations across the world. The company had a limited pipeline of orders entering FY 2021-22 and the Covid-19 related lockdown restrictions effected FTL like of most of the organizations.

Despite the adverse business environment, FTL continued to focus on key strategic objectives such as product innovation, market competitiveness, cost rationalisation and superior customer service.

FTL continued with its endeavor to right size the organisation and rationalise costs. FTL also exited certain non-profitable business lines in order to conserve the resources and invest in promising businesses, when possible.

FTL has shown losses during the year under review, including cash and non-cash losses. Cash losses were primarily because of the company's inability to procure orders due to significant deferment by most of the Banking sector clients with respect to new kiosks and increase in price sought by us for prices due to pandemic affected economic conditions

FTL is currently under one-time restructuring (OTR) plan, for its obligations, to its lenders, under the Covid-19 relief framework regulations of RBI.

Forbes Facility Services Private Limited (FFSPL)

Although the year under review was quite challenging in the start of financial year for FFSPL due to worldwide pandemic situation, FFSPL being integrated facility management service and industrial food service provider, was able to fetch the clients in industrial segment.

There is a growth in revenue by 10% to a net revenue of ₹ 168.59 crore against the net revenue of ₹ 152.02 crore in FY 2020-21. FFSPL strengthened its operation and presence across the country by widening its reach to new territories in India.

Your Company has entered into Share Purchase Agreement (SPA) with SILA Solutions Private Limited, for sale of its 100% equity shareholding in Forbes Facility Services Private Limited ("FFSPL"), a wholly owned subsidiary of the Company for ₹ 42 crores subject to closing adjustments as may be required in view of the conditions precedent and the pre and post-closing adjustments as per the terms of SPA. The transaction subject to fulfilment of conditions precedent is expected to be completed by Q2 of FY 2022-23.

Shapoorji Pallonji Forbes Shipping Limited (SPFSL)

As SPFSL had sold its remaining chemical tankers and there is currently no remaining operating business in SPFSL, the Joint Venture Agreement entered between your Company, Sterling Investment Corporation Private Limited and G S Enterprise was terminated with mutual consent with effect from February 28, 2022. Accordingly, SPFSL ceased to subsidiary of the Company with effect from March 1, 2022.

Your Company held 25% of Equity and Preference Shares in SPFSL. SPFSL currently holds its assets only in cash and cash equivalents.

Forbes Bumi Armada Limited (FBAL)

FBAL maintains qualified and experienced manpower which continues to provide quality manning services for Operation and Maintenance of Floating Production Storage Offload ("FPSO") Vessels. By adhering the highest safety standards by FBAL manpower(s), client companies have achieved award of International Safety, Award for demonstrating a strong commitment to good health and safety management during FY 2021-2022 by British Safety Council.

Currently, FBAL is providing Operations and Management manning services to two (2) FPSO and commissioning support to one (1) under construction FPSO. Total Manpower deployed for all the projects is around 180 employees. Manpower resources of FBAL are delivering international standard services while maintaining top level Health Safety and Environment track records. The Manning Team has worked and completed safely, fifteen (15) Zero Loss Time Injury ("LTI") contract years and ensured 100% commercial uptime for the associated projects.

The Company has duly complied with ISO 9001 & 14001 and OSHA 18001 to ISO 45001 certifications and ISO 27001 (Cyber Security).

Assets of The Svadeshi Mills Company Limited (Svadeshi)

The Assets of Svadeshi continue to be in the hands of the Official Liquidator, High Court, Bombay. An application pursuant to the provisions of section 466 of the Companies Act, 1956 has been filed by Grand View Estates Private Limited before the Hon'ble Bombay High Court to stay the winding up proceedings and bring Svadeshi out of liquidation.

Financial Performance

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

Segment wise performance

₹ in Lakhs

Particulars	Segment Revenue	
	FY 21-22	FY 20-21
Health, Hygiene, Safety Products and its services	22,404	22,642
Engineering	20,631	15,935
Real Estate	2,972	40,385
IT Enabled Services and Products	1,066	2,829
Shipping and Logistics Services	4,443	11,541
Others	29	28
Total	51,545	93,360
Less: Inter Segment Revenue	(72)	(118)
Total Income from operations (net)	51,473	93,242

Particulars	Segment Results	
	FY 21-22	FY 20-21
Health, Hygiene, Safety Products and its services	(31,941)	(28)
Engineering	2,969	1,574
Real Estate	753	12,688
IT Enabled Services and Products	(2,559)	(10,265)
Shipping and Logistics Services	926	(1,129)
Others	(15)	(26)
Total segment results	(29,867)	2,814
Add: Share of profit of joint ventures and associates accounted for using equity method	1,204	483
Add: Exceptional items	(230)	-
Less: Finance Costs	(4,203)	(5,159)
Balance	(33,096)	(1,862)
Add: Unallocable income/(expenses) (net)	(679)	(1,131)
Profit /(Loss) from continuing activities before tax	(33,775)	(2,994)
Profit /(Loss) from discontinued operations before tax	4,57,305	(653)
Profit/(Loss) before tax from continuing and discontinued operation	4,23,530	(3,647)

Key Financial performance, Operational Information and Ratio Analysis

Key Ratios/ Indicators	Standalone		Explanation for change of 25% or more
	FY 21 -22	FY 20-21	
Debtors Turnover (in days)	46	22	The increase in days is mainly due to lower revenue recognition of ₹ 1492 lakhs from VICINIA real estate project which is part of real estate segment revenue in FY 2021-22 as against ₹ 38653 lakhs in FY 2020-21.
Interest Coverage Ratio	4	9	The interest coverage ratio is reduced due to lower profit as compared to previous year.
Operating Profit Margin %	8 %	22 %	During the year FY 2021-22 revenue from VICINIA real estate project was ₹ 1492 lakhs with a loss of ₹ 44 lakhs which is part of real estate segment revenue and result as compared to revenue of ₹ 38653 lakhs and profit of ₹ 10846 lakhs in FY 2020-21. Hence operating margin is reduced.
Return on Net Worth *	82 %	49 %	The increase in percentage of networth in FY 2021-22 is mainly due to movement in other equity on account of impairment of investments and loans and adjustment entries passed for Composite Scheme of Arrangement resulted in lowering the networth from ₹ 17029 lakhs to ₹ 3902 lakhs

Key Ratios/ Indicators	Consolidated		Explanation for change of 25% or more
	FY 21-22	FY 20-21	
Debtors Turnover (in days)	69	51	The increase in days is mainly due to lower revenue recognition of real estate project and few subsidiaries compared to FY 2020-21, resulting in overall debtors reduced by approximate 25%.
Operating Profit Margin %	2 %	7 %	Operating margin is reduced due to lower profitability in real estate project compared to previous year and losses in subsidiaries and also impact of impairment of investments.
Net Profit Margin % *	0 %	2 %	
Return on Net Worth *	2 %	-21 %	

*Excluding exceptional items

Revenue

During the year Company has achieved standalone revenue (Including other income) of Rs. 24,875 lakhs (previous year Rs. 57,573 lakhs), The decrease is mainly on account of reduction in revenue from RS. 38653 Lakhs (FY 2020-21) of realty segment (VICINIA project) to 1492 Lakhs in the current year 2021-22 as per IND AS 115 "Revenue from Contracts with Customers". However, loss of revenue of real estate segment is marginally compensated by increase in revenue of Engineering Division by 4847 lacs.

During the year company achieved consolidated revenue (Including other income) of Rs. 54,917 (previous year Rs. 1,00,572), reduction is mainly on account of marginal revenue from realty segment (VICINIA project) of Rs. 1492 lakhs (previous year of INR 38653 lakhs) and sale of vessels by one of the subsidiary which reduces the Shipping & logistic revenue segment revenue by Rs. 7098 lacs.

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

Standalone EBIDTA is Rs. 4,687 lakhs (previous year Rs. 15,154 lakhs) this is mainly on account of lower revenue recognition from Realty segment.

Consolidated EBIDTA is Rs. 8388 lakhs (previous year Rs. 21093 lakhs), significant decrease is mainly on account of lower profit from Realty segment and losses in subsidiaries.

Profit/(Loss) Before Tax ("PBT")

During the year standalone PBT is Rs. 4,12,235 lakhs (previous year Rs. 911 Lakhs after adjustment of Exceptional loss of Rs. 11438 lacs), out of which Rs. 410091 lakhs are on account of Exceptional items mainly includes the adjustment entries passed for Composite Scheme of Arrangement.

Consolidated loss of Rs. 33776 lakhs (previous year Rs. 2993 lakhs) is mainly due to additional exceptional expenses of Rs. 22424 on account of provision for Impairment of Goodwill.

Fixed Assets

During the year standalone Gross Block is Rs. 14,241 lakhs (previous year Rs. 13574 lakhs) on account of investment to plant & machinery for Engineering business.

Consolidated Gross Block is Rs. 16,731 lakhs (previous year Rs. 35,812 lakhs), the decrease is mainly on account of sale of vessels.

Profit/(Loss)

During the year standalone profit after other Comprehensive income of Rs. 4,13,316 lakhs (previous year Rs. 3136) out of which Rs. 410,091 lakhs is on account of Exceptional Items, mainly adjustments of Composite Scheme of Arrangement

Consolidated Profit after Other Comprehensive Income has gone up by Rs. 4,38,392 lakhs mainly due to Exceptional Items on Composite Scheme of Arrangement.

Loan Funds,

As on March 31, 2022, total standalone borrowing is Rs. 10,169 lakhs, (previous year Rs. 15,113 Lakhs) reduced by Rs. 4,944 lakhs on account of repayment of short-term borrowings and term loans.

Company's consolidated borrowing is Rs. 27,517 lakhs (previous year Rs. 50,563 lakhs), has gone down on account of repayment of short term borrowing & term loans.

OPPORTUNITIES & RISKS

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

Covid-19 Pandemic

The increasing trend in the infection, locally and globally, new strains of Covid-19, restrictions and lockdown imposed by local authorities of varying extent, have led to uncertainty and disrupted operations of many large and small businesses. There is a significant change in the demand/supply of products, priorities of consumers, budgets/growth plans of companies. Covid-19 pandemic has amplified existing risks. The Company was not immune to the same. To mitigate the risks the Company took lot of precautions & strict factory management such as shop floor sanitization after every shift, keeping track of each employee's well-being, and strictly following Covid-19 protocol, adopting digital tools to engage with existing & prospective customers etc. All these efforts immensely helped us to mitigate the pandemic risk and establish connections with customer & business growth.

Market Development

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

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

Given our dependency on Automotive sector, one more aspect of risk is the way the development of this industry will evolve. The trends of this industry moving to different fuel options, the impact of Covid19 – e.g., Work from home options, social distancing norms options will impact the demand of the consumer and we will have to align ourselves and remain abreast of the happenings to be able to have an important share in contributing to this aspect.

Political and Global Uncertainty

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

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

Legal and Regulatory

Compliance with laws and regulations is an essential part of your Company's business operations. We are subject to laws and regulations in diverse areas as product safety, product claims, trademarks, copyright, patents, competition, employee health and safety, the environment, corporate governance, listing and disclosure, employment, and taxes. Frequent changes in legal and regulatory regime and introduction of newer regulations with multiple authorities regulating same areas lead to complexity in compliance. We closely monitor and review our practices to ensure that we remain complaint with relevant laws and legal obligations.

Systems and Information

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

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

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

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

Internal control systems and their adequacy

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

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

Material Development in Human Resources and Industrial Relations

Financial year 2021-22 started with positive beginning post pandemic. The business growth was seen across product segment. The focus of Human Resources function was on inducting new talent to cater to the business growth opportunities.

Annual Performance Management System (PMS) exercise followed by quarterly hall meeting helped in establishing linkage between employee contribution with Company objectives.

As the pandemic risks continued in FY 20-21, health & safety guidelines were released & its implementation strictly monitored to ensure employee safety at workplace. In addition, symptomatic employees were home isolated with necessary medical assistance/ guidance though the Company Medical Officer. While 100% vaccination of all employees was completed, during the pandemic period, 28 employees tested positive and the Company lost two of its employees to Covid-19. During the year no complaints of sexual harassment were reported. Four cases of minor injuries were reported and the injured were given first-aid treatment. There were no major accident or fatality. Employee attrition rate was 14.7% with 99 new employees joining the Company. Two major management programs were conducted on Dimensions of Professional Selling & Effective Business Communication and Coaching Program to People Managers on PMS.

The learning & development exercise explored through virtual training platform for strengthening functional & leadership competencies.

Investment in Subsidiaries/Joint Ventures

The Company has made new equity investments in Subsidiaries/ Joint Ventures in FY 2021-22 as follows:

Name of the Company	₹ in Lakhs
Forbes Technosys Limited, Wholly Owned Subsidiary	4800.00

Subsidiaries/ Associates /Joint Ventures

During FY 2021-22 the following company(s) have become or ceased to be subsidiaries, joint ventures or associates.

Name of Company	Nature of Relationship
Aquaignis Technologies Private Limited	Amalgamated with effect from February 1, 2022 with Eureka Forbes Limited pursuant to the Composite Scheme of Arrangement
Euro Forbes Financial Services Limited	
Eureka Forbes Limited	Amalgamated with effect from February 1, 2022 with the Company pursuant to the Composite Scheme of Arrangement
Euro Forbes Limited, Dubai	Ceased to be subsidiary of the Company with effect from February 1, 2022 pursuant to the Composite Scheme of Arrangement
Forbes Aquatech Limited	
Forbes Enviro Solutions Limited	
Forbes Lux FZCO	
Infinite Water Solutions Private Limited	
LIAG Trading & Investment Limited	Ceased to be subsidiary of erstwhile Eureka Forbes Limited with effect from June 24, 2021
Shapoorji Pallonji Forbes Shipping Limited	Ceased to be subsidiary of the Company with effect from March 1, 2022
AMC Cookware Proprietary Limited	Ceased to be a joint venture company of erstwhile Eureka Forbes Limited with effect from December 2021

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

Dividend & Transfer to Reserves

In view of the requirements of liquidity for existing businesses of the Company and/or its subsidiaries, the Directors regret their inability to recommend any dividend. In accordance with SEBI (Listing Obligations and Disclosure Regulations), 2015, the Board of Directors of the Company has adopted a Dividend Distribution Policy, which is available on the website of the Company, www.forbes.co.in/

No amount has been transferred to the reserves during the year.

Share Capital

The paid-up Equity Share Capital of the Company as on March 31, 2022 was ₹1,289.86 Lakhs. During the year under review, the Company has not issued any shares with differential voting rights or ‘sweat equity shares’ and has not granted any stock options. As on March 31, 2022 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.

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.

Particular of loans, guarantees and investments

Particular 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. Therefore, the disclosure of related party transactions as required under section 134(3) of the Act in Form AOC-2 is not applicable to the Company.

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.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website.

Vigil Mechanism/Whistle Blower Policy

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

Internal Complaints Committee

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace as per with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Compliant Committee (ICC) has been setup to redress complaints received regarding sexual harassment as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the ICC includes external member. During FY 2021-22, no complaints on sexual harassment were received.

Corporate Governance and Management Discussion and Analysis

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

Corporate Social Responsibility (CSR)

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

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

The total amount to be spent during the financial year 2021-22 was ₹ 24.94 Lakhs .

As there are no new identified projects amount of ₹ 24.94 lakhs required to be spent on CSR activities for the FY 2021-2022 would be deposited with Prime Minister's National Relief Fund within permissible time.
The Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is annexed as Annexure II to this report.

Risk Management

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

Significant and Material Orders Passed by the Regulators or Courts

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

Directors and Key Managerial Personnel

As per provisions of Section 152(6) of the Act, Mr. Jai Mavani is due to retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors recommends 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.

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

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

Pursuant to the provisions of section 203 of the Act, Mr. M. C. Tahilyani, Managing Director, Mr. Nirmal Jagawat, Chief Financial Officer and Mr. Pankaj Khattar, Head Legal & Company Secretary are the Key Managerial Personnel of the Company as on March 31, 2022.

Audit Committee of the Board of Directors

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

Board Evaluation

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

The performance of the Board was evaluated by the Board after seeking feedback from all the Directors based on 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 based on 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 based on self-assessment questionnaire and feedback/inputs from other Directors (without the concerned director being present).

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

Remuneration Policy

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

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

Meetings of the Board

The Board met at least once in each quarter and nine (9) 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 Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Price Waterhouse Chartered Accountants LLP (PWC) (ICAI Firm Registration No.012754N/N500016) are Statutory Auditors of the Company till the conclusion of 103rd Annual General Meeting of the Company.

The Report of the Statutory Auditors on the Consolidated Financial Statements for the year ended March 31, 2022 contains modified opinion on two of the overseas subsidiaries of the Company wherein the Management of these two entities were unable to provide certain information to the auditors of those entities due to issues with the system integration.

The Company's Management is of the opinion that due to scale of operations of the said entities, the impact on the consolidated financial statements would be insignificant, if any. As per the report of Statutory Auditors, the impact of the same is indeterminable.

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.
The Audit Report forms part of the Annual Report.

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 2022-23 on a remuneration of ₹ 4.50 lacs plus applicable taxes and out of pocket expenses.

As required under the Companies Act, 2013, necessary resolution seeking Member's ratification for the remuneration to the Cost Auditors is included in the Notice convening the 103rd Annual General Meeting of the Company.

Secretarial Audit

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

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark or disclaimer.

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

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

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

Extract of Annual Return

Pursuant to section 92(3) read with section 134(3)(a) of the Companies Act, 2013, the Annual Return as on March 31, 2022 is available on the website of the Company viz. www.forbes.co.in/

Business Responsibility Report

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

Insolvency and Bankruptcy Code 2016

During the financial year, neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

Settlement with Banks or Financial Institutions

During the financial year no settlements were made by the Company with any Banks or Financial Institutions.

Cautionary Statement

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

Acknowledgements

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

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2022

Annexure "I"

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

	Name of Subsidiary	Campbell Properties & Hospitality Services Limited	EFL Mauritius Limited			Forbes Bumi Armada Limited	Forbes Campbell Services Limited	Forbes Facility Services Private Limited	Forbes Lux International AG			Forbes Technosys Limited	Forbes Campbell Finance Limited
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	31/03/2022	31/03/2022			31/03/2022	31/03/2022	31/03/2022	31/12/2021			31/03/2022	31/03/2022
	Reporting Currency and exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	₹ In Lakhs	EUR	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs	CHF	Rate	₹ In Lakhs	₹ In Lakhs	₹ In Lakhs
				AVG									
(a)	Share Capital	48.75	287.20	73.93	21,234.26	550.00	5.00	100.00	245.00	81.47	19,959.32	9,489.72	386.41
(b)	Reserves & Surplus	140.11	★ (290.16)	74.04	★ (21,482.98)	1,294.99	18.66	372.19	★(144.19)	81.47	★(11,746.33)	★(23,613.66)	6,850.70
(c)	Total Assets ◣	191.30	1.42	84.02	119.06	• 3,034.99	28.23	5,429.20	216.50	81.47	17,637.61	4,013.32	• 10,765.73
(d)	Total Liabilities	2.43	4.38	84.02	367.78	1,190.00	4.57	4,957.01	115.69	81.47	9,424.62	18,137.26	3,528.62
(e)	Investments	-	-	-	-	1,080.51	-	-	-	-	-	-	10,735.63
(f)	Turnover	25.16	-	-	-	5,584.93	28.50	16,859.40	133.64	80.87	10,807.01	1,066.16	7.20
(g)	Profit before Taxation	8.28	(0.15)	86.52	(12.90)	259.36	(1.56)	(167.53)	16.34	80.87	1,321.40	(4,222.56)	(699.56)
(h)	Provision for Taxation	2.14	-	-	-	52.03	(0.41)	250.84	0.28	80.87	22.39	-	-
(i)	Profit after Taxation	6.15	(0.15)	86.52	(12.90)	207.33	(1.16)	(418.37)	16.06	80.87	1,299.01	(4,222.56)	(699.56)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100	100			51	98	100	100			100	100

All Foreign currencies are in Lakhs.

★ Net of Debit balance of Profit & Loss Accounts and Foreign exchange transaction Reserve.
◣ Includes Investments.
● Excludes Investments

Annexure "I" (Continued)

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

	Name of Subsidiary	Lux International AG (Consolidated)			Lux Del Paraguay S.A.			Lux Professional Paraguay SA			Lux Hungaria Kereskedelmi Kft			Lux Osterreich GmbH (Austria)		
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	31/12/2021			31/12/2021			31/12/2021			31/12/2021			31/12/2021		
	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	EUR	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs	HUF	Rate	₹ In Lakhs	EUR	Rate	₹ In Lakhs
(a)	Share Capital	194.90	84.35	16,440.75	16.52	82.98	1,370.75	3.30	82.27	271.50	300.00	0.29	85.96	5.00	84.96	424.80
(b)	Reserves & Surplus	★ 46.40	84.35	★ 3,914.06	★(17.70)	83.07	★(1,470.29)	★(2.15)	81.16	★(174.49)	★12,566.43	0.28	★3,573.23	★(3.64)	85.19	★(310.21)
(c)	Total Assets ◣	168.25	84.35	14,192.70	28.21	84.35	2,379.65	5.32	84.36	448.77	24,802.93	0.23	5,669.99	16.75	84.35	1,412.59
(d)	Total Liabilities	122.21	84.35	10,309.00	29.39	84.35	2,479.19	4.17	84.35	351.76	11,936.50	0.23	2.728.71	15.39	84.35	1,297.99
(e)	Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Turnover	243.16	87.43	21,259.11	17.11	87.43	1,495.90	3.96	87.43	346.22	52,532.18	0.24	12,813.94	24.51	87.43	2,142.59
(g)	Profit before Taxation	17.23	87.43	1,506.39	(2.76)	87.43	(241.30)	1.53	87.43	133.77	1,365.15	0.24	332.99	6.78	87.43	592.81
(h)	Provision for Taxation	0.95	87.43	83.06	0.20	87.45	17.49	0.14	87.43	12.24	59.48	0.24	14.51	0.02	87.43	1.53
(i)	Profit after Taxation	18.18	87.43	1,589.45	(2.96)	87.43	(258.79)	1.39	87.43	121.53	1,305.67	0.24	318.49	6.76	87.47	591.28
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100			100			100			100			100		

All Foreign currencies are in Lakhs.

★ Net of Debit balance of Profit & Loss Accounts and Foreign exchange transaction Reserve.
◣ Includes Investments.

Annexure "I" (Continued)

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

	Name of Subsidiary	Lux Schweiz AG			Lux International Services & Logistic GmbH			Lux Welity Polska sp.zo.o.			Volkart Fleming Shipping & Services Limited.
	Reporting Period of Subsidiary concerned ,if different from the holding company's reporting period	31/12/2021			31/12/2021			31/12/2021			31/03/2022
	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	EUR	Rate	₹ In Lakhs	PLN	Rate	₹ In Lakhs	₹ In Lakhs
(a)	Share Capital	6.75	81.07	547.20	0.25	73.80	18.45	1.00	18.76	18.76	50.39
(b)	Reserves & Surplus	★(6.83)	81.11	★(553.95)	★ 2.86	85.28	★ 244.17	★(1.80)	18.59	★(33.53)	207.20
(c)	Total Assets ◣	2.08	84.36	175.46	5.64	84.35	475.96	5.70	18.37	104.71	• 356.44
(d)	Total Liabilities	2.16	84.36	182.21	2.53	84.35	213.34	6.50	18.37	119.48	98.86
(e)	Investments	-	-	-	-	-	-	-	-	-	3.91
(f)	Turnover	5.80	87.43	507.09	17.39	87.43	1,520.55	18.41	19.04	350.51	66.45
(g)	Profit before Taxation	(0.99)	87.42	(86.55)	1.17	87.43	102.38	9.78	19.04	186.23	14.75
(h)	Provision for Taxation	(0.01)	87.43	(0.87)	0.33	87.43	28.85				14.76
(i)	Profit after Taxation	(1.00)	87.43	(87.43)	0.84	87.43	73.53	9.78	19.04	186.23	(0.01)
(j)	Proposed Dividend	-	-	-	-	-	-	-	-	-	-
(k)	% of Shareholding	100			100			100			100

All Foreign currencies are in Lakhs.

★ Net of Debit balance of Profit & Loss Accounts and Foreign exchange transaction Reserve.
◣ Includes Investments.
● Excludes Investments

Annexure "I" (Continued)

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

Part "B" Associates and Joint Ventures

₹ in Lakhs

Sr. No.	Name of Joint Ventures / Associates	Forbes Concept Hospitality Services Private Limited	Nuevo Consultancy Services Private Limited	Dhan Gaming Solution (India) Private Limited	Shapoorji Pallonji Forbes Shipping Limited
1	Latest Audited Balance sheet Date	31-03-2022	31-03-2022	31-03-2022	31-03-2022
2	Share of Associate/ Joint Venture held by the company on the year end				
	Number of shares held	26,25,000	58,849	4,900	38
	Amount of Investment (₹ in Lakhs)	262.50	5.88	0.49	0.00
	Extend of Holding %	50%	49%	49%	25%
3	Description of how there is significant influence	Joint Venture	Associate	Associate	Associate
4	Reason why the associate/ Joint venture is not consolidated	NA	NA	NA	NA
5	Networth attributable to shareholding as per latest audited Balance Sheet (₹ in Lakhs)	1.05	995.07	(0.84)	1,803.83
6	Profit/Loss for the year				
	(1) Consider in Consolidation (₹in Lakhs)	0.43	465.19	(0.13)	(219.96)
	(2) Not Considered in Consolidation (₹ in Lakhs)	-	-	-	-

Annexure "II"

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 Companies Act, 2013.

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

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

2. The Composition of the CSR Committee

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

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

   Average net profit: ₹ 1247 lakhs

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

   The Company is required to spend /commit ₹ 24.94 lakhs towards CSR initiatives for the Financial Year 2021-22.

5. Details of CSR spent during the financial year:

   a) Total amount to be spent for the financial year 2021-22 : ₹ 24.94 lakhs

   b) Amount unspent: The amount unspent is ₹ 24.94 Crores and the CSR Committee had decided to deposit this amount with the Prime Minister National Relief Fund within the permissible time.

c) Manner in which the CSR amount is required to be spent/committed is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No	**CSR Project or activity identified**	**Sector in which the Project is covered**	**Local area/ the State and district where projects or programs were undertaken**	**Amount outlay project or programs wise**	**Direct expenditure on projects**	**Cumulative expenditure upto to the reporting period**	**Amount spent: Direct or through implementing agency**
							(₹ In Lakhs)
1	Supporting Schools (FY 2019-20)	Promoting Education	Aurangabad Maharashtra	53.18@	-	-	Direct
2	Health (FY 2020 -21)	Fighting Covid-19	Mumbai/ Aurangabad Maharashtra	1.14	1.14	1.14	Direct
3	Supporting Schools (FY 2020 -21)	Promoting Education	Aurangabad Maharashtra	17.00	17.00	17.00	Direct
4	Contributing to Prime Minister's Relief Fund (FY 2021-22)	Welfare	Not Applicable	24.94#	-	-	Direct

@ The Company has committed and earmarked balance unspent amount of ₹ 53.18 Lakhs of FY 2019 -20 towards the partial cost of construction of class rooms and toilet block/s in the secondary school building of Mahanagar Palika Prathamik and Madhyamik Vidyalaya, a government educational institution run by Aurangabad Municipal Corporation. The construction of the school building and related infrastructure has already commenced.

As there are no new identified project/s amount of ₹ 24.94 lakhs required to be spent on CSR activities for the FY 2021-2022 would be deposited with Prime Minister's National Relief Fund within permissible time.

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.

    a) The Company had entered into a Memorandum of Understanding (MOU) with Aurangabad Municipal Corporation towards reconstruction of a municipal school building in Aurangabad and has committed towards the partial cost of construction of class rooms and toilet block/s in the secondary school building of the said municipal school. The construction of the school building and related infrastructure has already commenced and is expected to be completed in FY 2022-2023

    b) As there are no new projects amount of ₹ 24.94 lakhs required to be spent on CSR activities for the FY 2021-2022 would be deposited with Prime Minister's National Relief Fund within permissible time

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.

D. Sivanandhan
Chairman of the CSR Committee
DIN:03607203

Mahesh Tahilyani
Managing Director
DIN: 01423084

Mumbai, May 30, 2022

Annexure "III"

Nomination and Remuneration Policy

REGULATORY FRAMEWORK

I SECTION 178 OF THE COMPANIES ACT, 2013

- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.

- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

- The Nomination and Remuneration Committee shall, while formulating the policy as aforesaid shall ensure that:

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

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

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

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

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

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

- Formulation of criteria for evaluation of Independent Directors and the Board;

- Devising a policy on Board diversity; and

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

- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

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

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

DEFINITIONS & INTERPRETATION

In this Policy unless the context otherwise requires:

Act shall mean Companies Act, 2013.

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

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

KMPs or Key Managerial Personnel shall mean following:

a. Managing Director (MD) , or Chief Executive Officer or Manager and in their absence, Whole time Director;
b. Company Secretary; and
c. Chief Financial Officer

NRC shall mean Nomination and Remuneration Committee.

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

INTERPRETATION

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

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

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

OBJECTIVES

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

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

FUNCTIONS OF NOMINATION AND REMUNERATION COMMITTEE

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

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

APPOINTMENT OF DIRECTORS

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

Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re- appointment on passing of a special resolution by the Company and

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

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

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

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

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

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

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

REMUNERATION OF MD

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

- Increments to the MD should be within the slabs approved by the members and shall be made after taking into consideration the Company's overall performance, MD's contribution for the same, trends in the industry in general and in a manner which would ensure and support a high performance culture. The MD shall be eligible for remuneration as may be approved by the members of the Company on the recommendation of the NRC and the Board of Directors. The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the NRC and shall be within the overall remuneration approved by the members and Central

  Government, wherever required. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its MD in accordance with the provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, then with the approval of the Central Government.

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

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

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

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

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

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

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

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

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

UPDATING THE DIRECTORS ON A CONTINUING BASIS

- The Company shall periodically arrange Board Strategy discussions at any of the Company's plants or off-site locations. At such Meetings, the Directors also get an opportunity to see the Company's operations, interact with the Plant Heads

  and review the sustainability aspects of the Plant. This would enable them to gain an understanding and appreciation of the operations of the Company and initiatives taken on safety, quality, environment issues, CSR, Sustainability, etc.

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

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

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai
May 30, 2022

- 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.

Annexure "IV"

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, 2022.**

Non-Executive Directors of the Board were paid only sitting fees during the financial year ended March 31, 2022 as follows:

Director	Sitting Fees (₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Non- Executive Directors		
Mr. D. Sivanandhan	9.50	1.68 : 1
Mr. Jai L. Mavani	5.00	0.88 : 1
Mr. Nikhil Bhatia	9.00	1.58 :1
Ms. Rani Ajit Jadhav	5.00	0.88 : 1
Mr. Shapoor P. Mistry	1.50	0.26 : 1

Remuneration to Executive Director

Director	(₹ in lakhs)	Ratio to Median (No. of times to Median Salary)
Mr. M. C. Tahilyani (* includes ex-gratia amount of ₹ 112.25 lakhs)	371.11*	65.1

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

The percentage increase in remuneration of Managing Director was 7%, Chief Financial Officer was 14% and Company Secretary was 14%.

2. **Percentage increase in the median remuneration of employees in the financial 2021 -2022.**

The percentage increase in the median remuneration of the employees in FY 2021 – 2022 was 11%.

3. **Number of permanent employees on the rolls of Company as on March 31, 2022 were 571 and in the previous year were 410 .**

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 percentile increase in remuneration of Non Key Managerial Personnel was 11% and for Key Managerial Personnel was 9.78%. There is no exceptional increase in managerial remuneration.

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

Annexure "V"

FORM NO. MR.3
SECRETARIAL AUDIT REPORT
For the Financial Year Ended March 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

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

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Due to the inherent limitations of audit including internal, financial and operating controls, there is an unavoidable risk that some material misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Unmodified Opinion:

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 March 31, 2022 (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 March 31, 2022 according to the provisions of:

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

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

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

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment; **(Foreign 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, 2018; **(Not Applicable to the Company during the Audit Period)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(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, the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period); and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period).**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder (Hereinafter referred as "Listing Regulations")

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test -check basis the Company has complied with the law applicable specifically to the Company i.e. Real Estate Regulatory Authority Act.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards made there under for all the above laws.

The outcome of the Board Meeting for the entire year is being filed to Stock Exchange, within 30 minutes after receipt of Signed Financial results from Auditors instead of within 30 minutes from the conclusion of the meeting. Further, PIT Regulation Compliances w.r.t. trading by Designated Personnel is checked on the basis of the quarterly benpos received from the Company since weekly benpos was not available for verification.

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 re-appointment of Director, which took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

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 unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The adequacy and efficacy of the same shall be read in the context of remarks specified in this report.

We further report that during the audit period the Company:

1. has received approval by the Hon'ble NCLT by order dated 25th January, 2022 for the composite scheme of arrangement of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited and Forbes Enviro Solutions Limited and their respective shareholders

2. has taken Board approval for sale of its entire shareholding in Forbes Facility Services Private Limited, a wholly owned subsidiary of the Company to SILA Solutions Private Limited.

3. has entered into a new Agreement for Sale with Equinix India Private Limited for sale of approximately 15,394.50 square meters of land at Chandivali for an increased consideration of ₹ 235 Crores.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
P.R. No: 640/2019
UDIN: F006667D000426383

Date: May 30, 2022
Place: Mumbai

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

'Annexure A'

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

Our Secretarial Audit Report for the financial year ended March 31, 2022 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.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
P.R. No: 640/2019
UDIN: F006667D000426383

Date: May 30, 2022
Place: Mumbai

Annexure "VI"

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, 2022.

(A) Conservation of Energy:

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

(a) Energy Conservation Measures Taken:

Company is committed toward go green & conservation of energy. Company has taken many steps toward this few of them are

- Air compressors consolidated with interlinking pneumatic pipelines.
- Installation of inhouse Vacuum Heat treatment plant.

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

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

- cost saving of 30 %. Power saving of 300 KWH/day (Annual saving 90,000 KWH) due to Air compressors consolidation.
- Effective utilisation of roof top solar system saved 1.2 MWH of power on annual basis.

(ii) Capital investment on energy conservation equipment: Nil

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

i. Efforts, in brief, made towards technology & Benefits derived as result of below activity's

Research & Development

a) Solid Carbide Tools:

- New product program in High performance tooling introduced for special application in Aerospace materials machining applications like aluminium, 15 - 5 PH steel, Titanium This is special modified geometry with sub-micron grade carbide raw material & S3p coating.
- Tool compensation software installed on CNC Machines resulted in auto tool runout compensation during production, improved run time. Developed in house process for specific Drill edge rounding & cutting-edge preparation.
- HSS Taps: HPT NIB Tap range with Bend Shank & coupler Type developed successfully for Cold forged Nuts, MS Nuts, Stainless steel nuts. New segment HPT Roll forming Filter Taps successfully developed.

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

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

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

Foreign exchange earnings and outgo:		**(₹ In Lakhs)**
(a)	**Foreign exchange earnings:**	
1	Export of goods calculated on FOB basis	2500.99
2	Commission and other Services	-
3	Freight and Insurance recoveries	26.13
4	Others	-
	Total	**2527.12**
(b)	**Foreign exchange outgo:**	
1	Imports calculated on CIF basis – Raw material	3139. 39
2	Imports calculated on CIF basis – Components	-
3	Imports calculated on CIF basis – stores, spares and tools	112.59
4	Imports calculated on CIF basis – purchase for re-sale	48.88
5	Imports calculated on CIF basis – Capital Goods	558.66
6	Commission to overseas agents	34.60
7	Foreign travel	3.16
8	Royalty	-
9	Others	217.97
	Total	**4115.26**

For and on behalf of the Board

Shapoor P. Mistry
Chairman
DIN: 00010114
Mumbai, May 30, 2022

Business Responsibility Report FY 2021-2022
(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, 2021 – March 31,2022
7.	Sector(s) that the Company is engaged in) industrial activity code-wise)	:	

NIC Code	Product Description
28221	Threading Tools/Drilling
25939	Carbide Tools
28259	Marking machines
28299	Industrial Automation
41001	Realty
46497	Pharmaceutical and Medical Devices

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, Automated assembly machines and Development of Real Estate
9.	Total number of locations where business activity is undertaken by the Company	:	
	(a) Number of International Locations (provide details of major 5)		Nil
	(b) Number of National Locations		2 (two) manufacturing plants at Waluj, and Chilakthana, 10 offices including Registered Office, Regional Offices and Sales Offices.
10.	Markets served by the Company-Local/State/ National/International	:	India, Middle East, East and Central Europe, South East Asia, Far East, Russia, Israel and North America.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (INR)	:	₹ 1,290 Lakhs
2.	Total Turnover (INR)	:	₹ 24,875 Lakhs (Standalone) ₹ 54,917 Lakhs (Consolidated)
3.	Total profit/(Loss) after taxes (INR) (Before Extra-Ordinary Items)	:	₹ 3,203 Lakhs (Standalone) ₹ 2,274 Lakhs (Consolidated)
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profits after tax (%)	:	Two percent of the average net profits of the company made during the three immediately proceding financial years
5.	List of activities in which expenditure in 4 above has been incurred	:	As per details in Annexure II of Board's Report

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1.	**Details of Director/Directors responsible for BR**	
(a)	**Details of the Director/Directors responsible for implementation of the BR policy/policies** 1. DIN Number 2. Name 3. Designation	 01423084 Mr. M. C. Tahilyani Managing Director
(b)	**Details of the BR head** 1. DIN Number (if applicable) 2. Name 3. Designation 4. Telephone number 5. E-mail Id	 Not Applicable Mr. Ravi Prem Chief Operation Officer - Engineering + 91 22 61358900 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 Business Responsibility Report	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 presently no plans to get independent audit/evaluation of the working of the Policy by either internal audit or 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. Nil

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product: Not Applicable

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

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

Our sustainable sourcing is one of major growth driver for the business. It is aimed at social progress, economic development and reduces environmental impact while selecting suppliers.

It is a collaborative approach while developing sourcing partner so that sustainance is built in the suppliers development process.

We have around 35 % of our input are sourced sustainably.

Energy management, occupation, health & safety and product management are built in on key parameters like:

- Suppliers collaboration
- Contract worker care
- Community support
- Safe waste disposal
- Environment protection

We have imbibed environmental protection in our manufacturing processes by using packaging, oil & lubricants reuse through centralized filteration system, wooden boxes for packaging replaced by paper cartons. Manufacturing facility complies with Pollution Control Board norms and work with Green Consent.

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 also being done through small transport service providers who are operating in local industrial area. Company encourages small entrepreneurs to expand their capacity and facility for future business by helping them with technological know-how and hand holding. Some of the producers of semi finished & consumable products are small scale vendors.

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

b) 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 (STP) having 10 Concentrated Mineral Drops (CMD) is available and the water so treated is used for Green Initiatives. Effluent Treatment Plant is of capacity

1 CMD is available and the treated water is disposed off through Common Effluent Treatment Plant (CETP) and Sludge is disposed off to Maharashtra Enviro Plant Limited, Pune.

Principle 3

1. **Please indicate the total number of permanent employees:** 571 as on March 31, 2022

2. **Please indicate the total number of employees hired on temporary/contractual/casual basis:** 167 as on March 31, 2022

3. **Please indicate the number of permanent women employees:** 17 as on March 31, 2022

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?:** 8%

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:** 86%;
   b) **Permanent Women Employees:** 90%;
   c) **Casual /Temporary/Contractual Employees:** 85%;
   d) **Employees with Disabilities:** Not Applicable

Principle 4

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

   - Employees and its Union
   - Suppliers
   - Government agencies
   - Society at large
   - Consumers
   - Shareholders

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?** Yes. As per the Corporate Social Responsiblity policy laid down by the Company.

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.**

   As per details in Annexure II of Board's Report.

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 vendors.

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

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

Principle 6

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

   The Policy is applicable to the Company and its 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 ensures that all waste is sent only to Government-authorized disposal agencies. Effluents generated are treated to meet the most stringent state and central regulatory requirements. The Company has invested in Effluent Treatment Plant and Sewage Treatment Plant to extract value from waste water and using that water for its green initiative, Company is deploying power generation sources which are environment friendly.

3. **Does the company identify and assess potential environmental risks?** Yes. Initiatives have been taken for usage of clean energy and improve energy efficiency. We are using plastic material in primary packaging and are working towards usage of recycle plastic in the next three years.

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.**

The Company has installed Solar Panels for generating 1 MW at Waluj plant on the roof top of the factory shed. The Company started utilizing its available capacity since January, 2020.

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

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

Principle 7

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

   Yes. Some of the organisations are-

   a. Bombay Chamber of Commerce & Industry
   b. Confederation of Indian Industry
   c. Indian Merchants' Chamber
   d. The Council of EU Chambers of Commerce in India and
   e. Indian Cutting Tools Manufacturer's Association.

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

   Yes. The Company participates in consultations 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:**

   As per details in Annexure 'II' of Board's Report.

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:**

   0.78% (3 pending complaints as on March 31, 2022 which have been since resolved)

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.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior 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?**

   Customer satisfaction survey was conducted and customer satisfaction index was 80%.

CORPORATE GOVERNANCE REPORT FOR FY 2021 - 2022

Corporate Governance Policy

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

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

(a) Balancing need for transparency with the need to protect the interest of the Company;

(b) Balancing the need for empowerment at all levels with the need for accountability; and

(c) Interaction with all stakeholders including shareholders, employees, lenders and regulatory authorities.

Code of Conduct

The Company has strong legacy of fair, transparent and ethical governance practices. 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, 2022. 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, 2022. The Annual Report contains a declaration to this effect signed by the Managing Director.

Code of Practices and Procedures for Fair Disclosure and Conduct

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

Board of Directors

The Board of Directors as on March 31, 2022 comprised of Six (6) Directors. The Chairman of the Board is Non-Executive. Five (5) (83%) Directors are Non-Executive and 3 (50%) of the six 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 & Disclosures Requirements) Regulations, 2015 ('SEBI LODR').

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

The Board met at least once in each quarter and the maximum time gap between two Board meetings did not exceed the time limit prescribed in Regulation 17(2) of SEBI LODR. 9 (Nine) meetings were held during the Financial Year (FY) ended March 31, 2022 on June 8, 2021, June 25, 2021, August 13, 2021, September 1, 2021, September 19, 2021, November 13, 2021, February 12, 2022, February 14, 2022 and February 23, 2022. The necessary quorum was present for all the meetings. Video conferencing facility was provided, wherever required to enable Directors to participate in meetings.

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/

Based on the declarations received from the Independent Directors, the Board is of the opinion that the Independent Directors fulfil the conditions specified in the SEBI LODR and are independent of the Management.

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

The names and categories of the Directors on the Board, their attendance at the Board Meetings and Annual General Meeting (AGM) held during the year, the number of Chairmanships /Directorships of all Boards excluding alternate directorship, directorship of private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 ('the Act') and the Committees of Board (Chairmanship /Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee across all public limited companies (listed as well as unlisted) including those of the Company), held by them as on March 31, 2022 are as follows

Name of the Director	Category	Number of Board Meetings during the F.Y 2019-20		Attendance at AGM held on September 16, 2021	Number of Shares/ Convertible instruments held	Relation-ship with Director	No. of Directorships in all Public Companies	No. of Committee positions held in all Public Companies		Directorship in other listed entity (Category of Directorship)
		Held	Attended					Chairman	Member	
Mr. Shapoor P. Mistry DIN:00010114	Non- Executive, Non-Independent	9	3	Yes	Nil	None	3	Nil	Nil	Nil
Mr. M. C. Tahilyani DIN:01423084	Non-Independent, Executive	9	9	Yes	Nil	None	4	Nil	2	Nil
Mr. D. Sivanandhan DIN:03607203	Non-Executive, Independent	9	9	Yes	Nil	None	8	3	6	1. United Spirits Limited (Independent) 2. Kirloskar Industries Limited (Independent) 3. Inditrade Capital Limited (Independent)
Mr. Jai L. Mavani DIN:05260191	Non- Executive, Non-Independent	9	9	Yes	Nil	None	3	Nil	Nil	Nil
Ms. Rani Ajit Jadhav DIN:07070938	Non-Executive, Independent	9	9	Yes	Nil	None	3	1	3	Procter & Gamble Health Limited (Independent)
Mr. Nikhil Bhatia DIN: 00414281	Non-Executive, Independent	9	9	Yes	Nil	None	3	2	Nil	Gokak Textiles Limited (Independent)

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

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

The specific areas of skills/expertise/competences of the individual Directors is given below:

Director	Areas of Skills/Expertise/Competence
Mr. Shapoor P. Mistry Chairman	Long term Business Strategy and Business Development, Build and nurture talent, Marketing and communications, Business Governance and Administration.
Mr. M.C. Tahilyani Managing Director	Business management and Administration, Finance and control, IT-Digital Strategy, Building High Performance Teams, Corporate Governance.
Mr. D Sivanadhan Non-Executive – Independent	Public Policy and General Administration, Business Development, Business and Corporate Governance, Security - IT Domain Expertise.
Mr. Jai Mavani Non-Executive Non-Independent Director	Fund raising, business structuring, Finance and Tax, Mergers & Acquisitions and Business Governance.
Ms. Rani A. Jadhav Non-Executive – Independent	Public Policy and General Administration, Corporate Governance and Administration.
Mr. Nikhil Bhatia Non-Executive – Independent	Risk Management, Taxation and related Regulatory, Business structuring and Governance.

Familiarization Programme for Independent Directors

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

Meeting of Independent Directors

The Independent Directors meet to discuss:

a) Evaluation of the performance of Non-Independent Directors and the Board as a whole.

b) Evaluation of the performance of the Chairman of the Company taking into account the views of the Executive Directors and Non-Executive Directors.

c) Evaluation of quality content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The Meeting of Independent Directors held on March 9, 2022 was attended by all Independent Directors.

CEO/CFO Certification

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

Audit Committee

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

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

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

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

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

V. scrutiny of inter-corporate loans and investments;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

f) Disclosure of any related party transactions; Qualification in the draft audit report;

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

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

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

Composition of Audit Committee

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

All members are financially literate and at least one member has Accounting expertise.

The Audit Committee meetings are attended by Chief Financial Officer, Statutory Auditors and Head of Internal Audit and the functional heads as and when required. The Company Secretary acts as the Secretary to the Committee. The gap between two consecutive meetings was not more than four months. 8 (Eight) Audit Committee meetings were held during Financial Year (FY) ended March 31, 2022 on June 11, 2021, June 25, 2021, August 13, 2021, September 19, 2021, November 13, 2021, February 12, 2022 and February 23, 2022.

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. Nikhil Bhatia Chairman	Non-Executive, Independent Director	8	8
Mr. D. Sivanandhan	Non-Executive, Independent Director	8	8
Mr. M. C. Tahilyani	Non-Independent, Executive Director	8	8

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 had constituted Nomination and Remuneration Committee. The Committee comprises of 3 members of whom 2 are Independent Non-Executive Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director.

The meeting of Nomination and Remuneration Committee was held on August 13, 2021. The Composition of the Committee and details of meeting attended by its members is as follows:

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

The Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting.

The terms of reference of Nomination and Remuneration Committee includes:

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

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

c) Devising a policy on Board diversity;

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

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

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

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

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

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

Details of remuneration paid to Directors during the year ended March 31, 2022 are as follows:

a) Non-Executive Directors:

(₹ in Lakhs)

Name of Director	Sitting Fees
Mr. Shapoor P. Mistry	1.50
Mr. D. Sivanandhan	9.50
Mr. Jai L. Mavani	5.00
Ms. Rani A. Jadhav	5.00
Mr. Nikhil Bhatia	9.00

No commission was paid to any Non-executive Director during FY 2020-22.

b) Managing Director

₹ in Lakhs

Sr. No	Particulars	Mr. M. C. Tahilyani
a.	Salary and allowance	162.50
b.	Pension Contribution to PF & Superannuation Fund	8.29
c.	Annual Performance Incentive & Ex-Gratia	200.32 (Includes Ex-Gratia amount of ₹ 112.25)
	Total	371.11
d.	Break up of fixed components and performance linked incentives with performance criteria	Item C is performance linked, others are fixed. Performance criteria include level of profits, reduction of costs, improvement of liquidity, steps taken for growth of business of the Company and its subsidiaries.
e.	Service contracts	April 28, 2021 to April 27, 2026.
f.	Notice Period	Six months
g.	Severance fees	Nil
h.	Stock options	Nil

Stakeholders' Relationship Committee

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

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

b) Approval of Transmission of Shares;

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

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

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

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

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

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

The Stakeholders' Relationship Committee meeting was held on March 9, 2022.

The Composition of Stakeholders' Relationship Committee is as follows:

Name	Category	No. of meetings held	No. of meetings attended
Mr. D. Sivanandhan Chairman	Non-Executive, Independent Director	1	1
Mr. M. C. Tahilyani	Executive, Non-Independent Director	1	1
Ms. Rani Jadhav	Non-Executive, Independent Director	1	1

The Company Secretary also functions as Compliance Officer.

During the year under review, 2(Two) complaints were received by the Company and the same were resolved. Further no transfers were pending as on March 31, 2022.

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-

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

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

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

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

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

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

The CSR meeting was held on March 9, 2022.

The CSR committee comprises of 1 Independent Director and 2 Non Independent Directors.

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

Name of Director	Category	No. of meetings held	No. of meetings attended
Mr. D. Sivanandhan Chairman	Non-Executive, Independent Director	1	1
Mr. M. C. Tahilyani	Executive, Non-Independent Director	1	1
Mr. Jai Mavani	Non-Executive, Non – Independent Director	1	1

Risk Management Committee

Pursuant to the requirements under SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, Risk Management Committee was constituted. The role and responsibility of the Risk Management Committee shall inter-alia include:

a. Establishing a framework for the company's risk management process and to ensure its implementation and monitor the risk management plan;

b. Identification, evaluation and mitigation of external and internal material risks;

c. Periodically review the risk management processes and its effectiveness;

d. Evaluate risks related to cyber security and establish procedures to mitigate these risks;

e. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

f. Keep the Board of Directors informed about the nature and contents of its discussions, recommendations and actions to be taken;

g. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Committee;

h. Such other functions/duties/responsibilities as may be required under the Companies Act, 2013, SEBI LODR or as may be entrusted by the Board from time to time.

The Risk Management Committee meetings were held on September 28, 2021 and March 25, 2022.

The Composition of the Committee is as follows:

Name of Director	Category	No. of meetings held	No. of meetings attended
Mr. Nikhil Bhatia Chairman	Non-Executive, Independent Director	2	2
Mr. M.C.Tahilyani	Executive, Non-Independent Director	2	2
Mr. Jai L Mavani	Non-Executive, Non-Independent Director	2	2

General Body Meetings

The details of date, time and venue of the Annual General Meeting held during the last three years till March 31, 2022 are as under:

Particulars	Date	Time	Venue
100th Annual General Meeting	August 26, 2019	4.00 p.m.	Indian Merchants' Chambers, Walchand Hirachand Hall, IMC Building, 4th Floor, IMC Marg, Churchgate, Mumbai 400 020
101st Annual General Meeting	September 28, 2020	3.00 p.m	The Annual General Meeting was held through Video Conferencing /Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company.
102nd Annual General Meeting	September 16, 2021	4.00 p.m	The Annual General Meeting was held through Video Conferencing /Other Audio Visual Means. The deemed place of the meeting was the registered office of the Company.

There was no matter that required passing of Special Resolution in the above three Annual General Meetings.

Details of Special Resolutions passed through Postal Ballot:

i. **Postal Ballot Notice dated June 25, 2021**
Date of declaration of results : August 11, 2021
Voting Pattern

Resolution (1)									
Re-appointment of Ms. Rani Jadhav as an Independent Director									
Category	**Mode of Voting**	**No. of Shares Held**	**No. of votes polled ***	**% of Votes Polled on outstanding shares**	**No. of Votes - in favour**	**No. of Votes - against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		(1)	**(2)**	**(3)=[(2)/(1)]*100**	**(4)**	**(5)**	**(6)=[(4)/(2)]*100**	**(7)=[(5)/(2)]*100**
Promoter and Promoter Group	E-Voting		0	0.00	0	0	0.00	0.00
	Postal Ballot		9359293	98.25	9359293	0	100.00	0.00
	Total	**9525691**	**9359293**	**98.25**	**9359293**	**0**	**100.00**	**0.00**
Public Institutions	E-Voting		0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**1527534**	**0**	**0.00**	**0**	**0**	**0.00**	**0.00**
Public Non Institutions	E-Voting		15767	0.85	14912	855	94.58	5.42
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**1845391**	**15767**	**0.85**	**14912**	**855**	**94.58**	**5.42**
Total		**12898616**	**9375060**	**72.68**	**9374205**	**855**	**99.99**	**0.01**

Resolution (2)								
Re-appointment of Mr. M.C.Tahilyani as Managing Director for a further period of 5 years and approval of remuneration for a period of 3 years								
Category	**Mode of Voting**	**No. of shares held**	**No. of votes polled***	**% of Votes Polled on outstanding shares**	**No. of Votes – in favour**	**No. of Votes –Against**	**% of Votes in favour on votes polled**	**% of Votes against on votes polled**
		[1]	**[2]**	**[3]={[2]/[1]}*100**	**[4]**	**[5]**	**[6]={[4]/[2]}*100**	**[7]={[5]/[2]}*100**
Promoter and Promoter Group	E-Voting		0	0.00	0	0	0.00	0.00
	Postal Ballot		9359293	98.25	9359293	0	100.00	0.00
	Total	**9525691**	**9359293**	**98.25**	**9359293**	**0**	**100.00**	**0.00**
Public Institutions	E-Voting		0	0.00	0	0	0.00	0.00
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**1527534**	**0**	**0.00**	**0**	**0**	**0.00**	**0.00**
Public Non Institutions	E-Voting		15767	0.85	10650	5117	67.55	32.45
	Postal Ballot		0	0.00	0	0	0.00	0.00
	Total	**1845391**	**15767**	**0.85**	**10650**	**5117**	**67.55**	**32.45**
Total		**12898616**	**9375060**	**72.68**	**9369943**	**5117**	**99.95**	**0.05**

*** No. of votes polled does not include 'no of votes abstaines'.**

Person who conducted the Postal Ballot exercise:

Postal Ballot was conducted by Mr. Makarand M. Joshi, Partner, M/s Makarand M Joshi & Co. Practicing Company Secretaries.

Whether any special resolution is proposed to be conducted through postal ballot:

No

Whether any special resolution is proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing of a special resolution through postal ballot.

Procedure for postal ballot

The postal ballot was carried out as per the provisions of sections 108 and 110 and other applicable provisions of the Companies Act, 2013 read with the Rules framed thereunder.

Fees paid by the Company and its Subsidiaries, on consolidated basis, to Statutory Auditors and all entities in the network firm/ network entity of which the statutory auditor is a part:

The particulars of payment of Statutory Auditors' fees on consolidated basis is given below:

Particulars	Amount (₹)
Statutory Audit (including quarterly audit)	90,55,000
Reimbursement of out-of-pocket expenses	3,97,701
Total	94,52,701

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, as amended:

The required disclosures have been made in the Directors' Report for the year ended March 31, 2022 which forms part of this Annual Report for FY 2021-2022.

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.

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

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

Statutory Compliances

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

Vigil Mechanism/Whistle Blower Policy

Pursuant to Section 177 of the Act and Regulation 22 of SEBI LODR, 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), 2015 is provided below:

- Shareholders' Rights: As the quarterly and half yearly financial results are published in the newspapers and are also posted on the Company's website, the same are not sent to the shareholders.
- Audit Qualifications: The Company's standalone financial statement for the financial year 2021-22 does not contain any audit qualification.
- Separate posts of Chairman and CEO: The Chairman of the Board is a Non- Executive Director. The Company has appointed Managing Director to take care of the day-to-day affairs of the Company. The position of the Chairman and Managing Director are separate.
- Reporting of internal auditor: The internal auditor may report directly to the audit committee

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 Thursday, the September 29, 2022 at 3.00 PM through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM)
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 Friday, September 23, 2022 to Thursday, September 29, 2022
Listing on Stock Exchange	BSE Limited, P.J. Towers, Dalal Street, Mumbai – 400 001.
Stock Code	502865 (ISIN-INE518A01013)

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

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

Month	Forbes High	Forbes Low	No. of Shares	BSE Index High	BSE Index Low	BSE 500 High	BSE 500 Low
April' 2021	1971.00	1565.00	31,627	50375.77	47204.50	20150.78	18982.96
May' 2021	1849.00	1624.90	45,685	52013.22	48028.07	21082.40	19444.49
June' 2021	2600.00	1728.00	1,30,397	53126.73	51450.58	21715.10	20951.07
July' 2021	3282.60	2481.10	1,59,523	53290.81	51802.73	21895.01	21346.66
August' 2021	3419.00	2648.50	1,25,087	57625.26	52804.08	23198.73	21844.65
September' 2021	4450.00	3235.05	3,95,417	60412.32	57263.90	24345.46	23133.26
October' 2021	6002.95	4043.00	2,03,477	62245.43	58551.14	25454.92	23746.52
November' 2021	5787.00	4937.05	65,664	61036.56	56382.93	24902.17	22881.93
December' 2021	6486.00	5102.00	48,008	59203.37	55132.68	24257.45	22428.02
January' 2022	6774.00	5440.05	29,232	61475.15	56409.63	25150.53	22900.34
February' 2022*	6755.00*	376.00*	4,35,834	59618.51	54383.20	24315.95	21857.13
March' 2022	459.80*	381.00*	2,65,315	58890.92	52260.82	23803.16	21339.78

* As per Para 33 of the Scheme of Arrangement, in consideration for the demerger of Health, Hygiene, Safety Products and Services Undertaking or Health and Safety Solutions Undertaking (Demerged Undertaking), Eureka Forbes Limited (Formerly Forbes Enviro Solutions Limited) was required to issue and allot 15 (fifteen) fully paid-up equity shares of ₹ 10 each to the equity shareholders of the Company (whose names appear in the register of members as on the Record Date) against 1 (one) fully paid-up equity shares of ₹ 10 each held by them in the Company. The Company had fixed Friday, February 11, 2022 as the Record Date for the purpose of determining the shareholders of the Company to whom the fully paid up equity shares of Eureka Forbes Limited (Formerly Forbes Enviro Solutions Limited) would be issued and allotted pursuant to the Scheme. The allotment was made on March 16, 2022.

Registrars and Share Transfer & Agents

The Company has appointed TSR Consultants Private Limited (RTA) (Earlier known as TSR Darashaw Consultants Private Limited) 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 Consultants Private Limited
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg, Vikhroli (west),
Mumbai - 400 083.
Tel.: +91 81081 18484 Fax.: +91 22 6656 8496
E-mail: csg-unit@tcplindia.co.in
Website: www.tcplindia.co.in

Share Transfer System

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

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

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

Distribution of Shareholding as on March 31, 2022

Category	No. of Shares	%
Promoters	95,25,691	73.85
Central/State Government Institutions	1,10,343	0.86
Financial Institutions/ Banks	12,990	0.10
Limited Liability Partnership	71,21	0.055
Mutual Fund	142	0.00
FII & NRI/FBC/FPI	15,31,154	11.73
Investor Education and Protection Fund	1,63,528	1.268
Directors and their relatives	0	0
Public	15,65,647	12.14
Total	**1,28,98,616**	**100.00**

Distribution by size as on March 31, 2022

Holding	No. of Shareholders	No. of Shares	% to Shares
1 to 500	12,334	6,50,283	5.0415
501 to 1000	226	1,59,981	1.2403
1001 to 2000	87	1,19,953	0.93
2001 to 3000	18	46,027	0.3568
3001 to 4000	9	32,749	0.2539
4001 to 5000	7	32,502	0.2520
5001 to 10000	6	36,773	0.2851
10001 & above	23	1,18,20,348	91.64
Total	**12,487**	**1,28,98,616**	**100.00**

Status of dematerialization of shares and liquidity as on March 31, 2022

Details	No. of shares	% of Share Capital	No. of Accounts
Nationalized Securities Depository Ltd. (NSDL)	1,19,72,268	92.82	5,428
Central Depository Services(India) Ltd. (CDSL)	6,52,896	5.06	4,883
Total dematerialized	1,26,25,164	97.88	10,311
Physical	2,73,452	2.12	2,399
Total	**1,28,98,616**	**100**	**12,710**

Outstanding Employee Stock Options, GDRs, ADRs, etc.

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

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

Foreign exchange risk and hedging activities

The Company has a foreign exchange risk management policy for managing foreign currency exposure. The Company identifies risks and exposures to be hedged from time to time and hedges these exposures. During the year, the Company has managed foreign exchange risk and hedged in compliance with its extant foreign exchange risk management policy. The open foreign exchange exposures are reviewed at a regular interval. Note No. 2(xviii) to the standalone financial statements describes the accounting policy relating to the foreign currency transactions and translations.

Credit rating

Rating Agency	Date	Credit Rating		
		Short Term	Long term	Proposed Non-convertible Debentures
CARE Rating Limited	08/03/2022	CARE A3 (A Three)	CARE BBB-; Stable (Triple B Minus; Outlook; Stable)	-

Plant Locations

Plot B-13,Waluj Industrial Area Waluj, Aurangabad-431 133	A7, MIDC Area Chikalthana, Aurangabad – 431 210

Address for correspondence

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

Auditors' Certificate

1. Certificate dated May 25, 2022 issued by Makarand M Joshi & Co., Practicing Company Secretaries certifying that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors by the Board/ Ministry of Corporate Affairs or any such statutory authority.

2. The certificate dated May 30, 2022 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, 2022.

For Forbes & Company Limited

M. C. Tahilyani
Managing Director

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

We have examined the compliance of conditions of Corporate Governance by **Forbes & Company Limited** ("the Company") for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

The compliance of conditions of Corporate Governance is the 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 representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

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.

Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No. 6667
CP No. 6690
P.R. No: 640/2019
UDIN: F006667D000426900

Date: May 30, 2022
Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS
(Pursuant to Regulation 34 (3) and Schedule V Para C Clause (10) (i) of SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Forbes & Company Limited

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Forbes & Company Limited** having **CIN L17110MH1919PLC000628** and having registered office at **Forbes' Building, Charanjit Rai Marg, Fort, Mumbai, Maharashtra- 400001** hereinafter referred to as (**'the Company'**) for the purpose of issuing this Certificate, in accordance with Regulation 34 (3) read with Schedule V Para C clause 10 (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) disclosures provided by the Directors (as enlisted in Table A) to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as directors of the companies by the Securities and Exchange Board of India, under Section 164 of Companies Act, 2013 or MCA or such other statutory authority as on March 31, 2022.

Table A

Sr. No.	Name of the Directors	Director Identification Number	Original date of appointment in Company
1	Shapoorji Pallonji Mistry	00010114	03/09/2001
2	Mahesh Tahilyani Chelaram	01423084	28/04/2016
3	Jai Laxmikant Mavani	05260191	22/05/2012
4	Sivanandhan Dhanushkodi	03607203	14/03/2012
5	Rani Jadhav Ajit	07070938	01/09/2018
6	Nikhil Jaysinh Bhatia	00414281	16/05/2019

For Makarand M. Joshi & Co.
Practicing Company Secretaries

Kumudini Bhalerao
Partner
FCS No.: 6667
CP No.: 6690
Place: Mumbai
Date: 25th May, 2022
UDIN: F006667D000366180

STANDALONE
FINANCIAL STATEMENTS FORMING PART OF ANNUAL REPORT OF FORBES & COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2022

Independent Auditor's report

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

Opinion

1. We have audited the accompanying standalone financial statements of Forbes & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note 51 to the standalone financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The Company believes that no additional adjustments are required in the standalone financial statements, however, in view of various preventive measures taken (such as lock-downs and travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

5. We draw attention to Note 53 of the standalone financial statements in respect of a Composite Scheme of Arrangement, which has been approved by the National Company Law Tribunal ("NCLT") vide its order dated January 25, 2022 and a certified copy of the order has been filed by the Company with the Registrar of Companies, Mumbai, Maharashtra, on February 1, 2022. In respect of the aforesaid scheme, merger as per the requirements of Appendix C to Ind AS 103 - Business Combinations, should be accounted for as if it had occurred from the beginning of the preceding period in the standalone financial statements of the Company. However, in accordance with MCA circular dated August 21, 2019, the Company has considered the appointed date i.e. February 1, 2022 as the date of merger. Further, in respect of the demerger, the appointed date of February 1, 2022 as approved by the NCLT has been considered as the demerger date for the purpose of accounting.

   The aforesaid Note also describes in detail the impact of the business combination on the standalone financial statements. Our opinion is not modified in respect of this matter.

Key audit matters

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

Key audit matter	**How our audit addressed the key audit matter**
(a) Revenue recognition for Real Estate Development Activities (Refer Notes 25 and 50 to the standalone financial statements)	Our audit procedures over the recognition of revenue for Real Estate Development activities included the following: • Obtaining an understanding and evaluating the design and testing of effectiveness of key internal financial controls in respect of revenue recognition for real estate development activities; • Obtaining an understanding of the Company's accounting policy on revenue recognition for real estate development activities and assessing compliance of the policy with principles enunciated under Ind-AS 115;

Key audit matter	How our audit addressed the key audit matter
In respect of real estate development projects, the determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind-AS 115 involves significant judgement by the Management. Revenue recognition for real estate development activities is considered as a key audit matter in view of the significance of amounts involved along with related disclosures and involvement of management judgement in establishing the timing of transfer of control to the customer and enforceable right to payment for performance completed to date.	• Obtaining a listing of contracts with customers from the Management; • Evaluating completeness and accuracy of the list of contracts as mentioned above; • Examining the mathematical accuracy in respect of amount recognised as revenue in respect of these customer contracts; • Examining the terms of sales agreements, agreement value and other relevant details to validate revenue recognition during the year; • Obtaining evidence regarding the transfer of control considering criteria as per Ind-AS 115 and evaluating enforceability of payment for work completed to date for validating the timing of transfer of control to the customer; and • Assessing the accuracy and completeness of disclosures in the standalone financial statements. Based on the above audit procedures performed, we did not come across any significant exceptions with regard to revenue recognition in respect of real estate development activities.
(b) Assessment of Provisions and Contingent Liabilities (Refer Notes 19A and 39 to the standalone financial statements) As at March 31, 2022, in respect of certain direct and indirect tax matters and other litigations, the Company has recognised provisions aggregating ₹ 265.50 Lakhs and disclosed contingent liabilities aggregating ₹ 14,433.51 Lakhs. The Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties. There is a high level of management judgement required in estimating the probable outflow of economic resources and the level of provisioning and/or the disclosures required. The judgement of the management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position. We considered this area as a key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved for the assessment.	Our audit procedures included the following: • Understanding and evaluating the process and controls designed and implemented by the management including testing the operating effectiveness of the relevant controls; • Obtaining the details of the litigation matters, inspecting the supporting evidences and assessing management's evaluation through inquiries with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources; • Understanding the current status of the direct and indirect tax assessments/ litigations; • Reading recent orders and/ or communication received from the tax authorities and with certain other parties and management responses to such communication; • Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluating the grounds presented therein; • Evaluating independence, objectivity and competence of the management's tax / legal consultants; • Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had discussion with them as and when required; • Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures; • Assessing the adequacy of disclosure in the standalone financial statements. Based on the above procedures, we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.

Other Information

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

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

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

   We have nothing to report in this regard.

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

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

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Matter

15. We did not audit the special purpose financial information of 3 subsidiaries included in the standalone financial statements, whose special purpose financial information reflect total assets of ₹ 111,480.78 Lakhs and net assets of ₹ (-)12,805.77 Lakhs as at January 31, 2022 for arriving at the impact of the merger and consequent demerger, as considered in the standalone financial statements. These special purpose financial information have been audited by independent firm of accountants whose reports have been furnished to us by the Management. Further, the aforementioned 3 subsidiaries stand demerged from the date of merger i.e. w.e.f. the Appointed Date of February 1, 2022.

    Our opinion on the standalone financial statements is not modified in respect of the above matter with respect to our reliance on the work done and the report of the independent firm of accountants.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

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

    (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

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

        ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses and did not have any derivative contracts as at March 31, 2022;

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

        iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

18. 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.

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

Sarah George
Partner
Membership Number: 045255
UDIN:

Place: Mumbai
Date: May 30, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2022

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, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, 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 issued by ICAI. Also refer paragraph 4 of our main audit report.

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

Sarah George
Partner
Membership Number 045255
UDIN: 22045255AJVVZC8010

Place: Mumbai
Date: May 30, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment 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 the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 5, 6 and 45 to the standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. in Lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company
Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company has not been carried out.
Lease rights for land and self-constructed building at Fort, Mumbai in the possession of the Company	1,129.42	Forbes Forbes Campbell & Co. Limited	No	39-55	The property is in the name of 'Forbes Forbes Campbell & Co. Limited' and the Company has made an application for renewal of lease, for which approval is awaited from authorities.
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company has not been carried out.
Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was 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	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) [formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)] and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties and real estate work-in-progress) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory, not material and have been appropriately dealt with in the books of account. Further, 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 by way of site visits and certification of extent of work completed by competent persons at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 22 to the standalone financial statements).

iii. (a) The Company has made investments in one company and granted unsecured loans to one company. The aggregate amount during the year, and balance outstanding at the Balance Sheet date with respect to such loans and guarantees to the subsidiary are as per the table given below:

	Guarantees	**Security**	**Loans**	**Advances in nature of loans**
Aggregate amount during the year to subsidiaries	-	-	4,748.23 Lakhs	-
Balance outstanding as at Balance Sheet date in respect of the above case -Subsidiaries	-	-	3,265.73 Lakhs	-

(Also refer Note 40 to the standalone financial statements)

(b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted/ investments were made are not prejudicial to the Company's interest.

(c) The loans given by the Company are repayable on demand and/or fully provided. Therefore, the question of our commenting on the regularity of repayment of principal and payment of interest does not arise.

(d) The loans given by the Company are repayable on demand and/or fully provided since they are considered as non-recoverable in view of the reasons stated in Note 8C (2), 8C (3), 8C (4), 43 and 52. Therefore, the question of our commenting on whether there is any amount which is overdue for more than ninety days does not arise.

(e) There were no loans/ advances in the nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/ advances in nature of loan.

(f) Following loans were granted during the year, including to related parties under Section 2(76), which are repayable on demand or where no schedule for repayment of principal and payment of interest has been stipulated by the Company.

	All Parties	**Promoters**	**Related Parties**
Aggregate of loans/advances in nature of loan repayable on demand	-	-	4,748.23 Lakhs
Percentage of loans/advances in nature of loan to the total loans	-	-	100%

(Also refer Note 40 to the standalone financial statements).

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 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 or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of employees' state insurance, goods and services tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount demanded after netting-off amount paid under protest (Rs. in Lakhs)	Amount paid under protest (Rs. in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	14.97	-	Financial Years 2000-01	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax (including interest and penalty, as applicable)	2,293.35	92.25	Financial Years 2007-08 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		1,038.89	-	Financial Year 2005-06 to 2012-13	Commissioner of Service Tax
The Customs Act, 1962	Penalty	1.00	-	Financial Year 2012-13	Commissioner (Appeals)
		100.00	-	Financial Year 2011-12	High Court of Kerala
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	2,724.52	-	Financial Years 2005-06 and 2006-07	Customs, Excise & Service Tax Appellate Tribunal
Sales Tax Laws	Sales Tax (including interest and penalty, as applicable)	475.67	55.06	Financial Years 1990-91 to 1994-95, 1997-98 to 2007-08, 2008-09 to 2009-10, 2013 -14 and 2016-17.	Appellate Authority – up to Sales Tax Appellate Tribunal
Employees' Provident Fund and Misc. Provisions Act, 1952	Damages	16.81	-	1996 - 2014	Central Government Industrial Tribunal No.2 & Employees' Provident Funds Appellate Tribunal

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) 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 other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained (Also refer Note 17 and 22 to the standalone financial statements).

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) 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, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

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

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

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of

India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has five CICs as part of the Group as detailed in note 56(iii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 36.2 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date will get discharged by the Company as and when they fall due.

(xx) (a) The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act until the date of our report. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed until the date of our report. Details are as given below:

(Rs. in Lakhs)

Financial year	Amount to be spent in accordance with section 135(5)	Amount remaining unspent as at the year-end to be transferred to fund under Sch. VII	Amount transferred to Fund under Sch. VII, within 6 months from end of financial year (or till the date of audit report, if that is earlier)	Amount transferred to Fund under Sch. VII, after 6 months from end of financial year (till the date of audit report)	Amount not transferred to Fund under Sch. VII, till the date of audit report
2021-22	24.94	24.94	-	-	24.94

(Also refer Note 32 to the standalone financial statements)

(b) In respect of ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable.

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

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AJVVZC8010

Mumbai
May 30, 2022

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2022 ₹ in Lakhs	*As at 31st Mar., 2021 ₹ in Lakhs*
Assets					
1 Non-current assets					
Property, plant and equipment	**5**			**9,296.81**	*9,094.49*
Right-of-use assets	**45**			**41.15**	*212.65*
Capital work-in-progress	**5.1**			**81.82**	*197.85*
Investment Properties	**6**			**2,255.60**	*2,344.74*
Other Intangible assets	**7**			**149.01**	*165.02*
Financial Assets:					
i) Investments					
Investments in subsidiaries	**8A**	3,654.86			*16,683.55*
Investments in associates	**8B**	5.88			*5.88*
Other Investments	**8C**	0.18			*0.68*
			3,660.92		*16,690.11*
ii) Loans	**10A**		-		*-*
iii) Other financial assets	**11A**		145.74		*177.15*
				3,806.66	*16,867.26*
Tax assets					
i) Deferred tax assets (net)	**20**		2,173.19		*1,114.47*
ii) Income tax assets (net)	**24**		951.85		*1,496.02*
				3,125.04	*2,610.49*
Other non-current assets	**14A**			**264.03**	*345.44*
Total Non-current assets				**19,020.12**	*31,837.94*
2 Current assets					
Inventories	**12**			**16,344.13**	*13,328.07*
Financial Assets:					
i) Trade receivables	**9**		3,144.30		*3,452.11*
ii) Cash and cash equivalents	**13A**		611.08		*2,170.53*
iii) Bank balances other than (ii) above	**13B**		289.21		*259.52*
iv) Loans	**10B**		0.83		*1.52*
v) Other financial assets	**11B**		97.39		*908.34*
				4,142.81	*6,792.02*
Other current assets	**14B**			**1,065.88**	*833.61*
				5,208.69	*7,625.63*
Asset classified as held for sale	**54**			**5,171.79**	*38.62*
Total Current assets				**26,724.61**	*20,992.32*
Total Assets				**45,744.73**	*52,830.26*

BALANCE SHEET AS AT 31ST MARCH, 2022 - Continued

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2022 ₹ in Lakhs	*As at 31st Mar., 2021 ₹ in Lakhs*
Equity and Liabilities					
Equity					
Equity share capital	**15**		1,289.86		*1,289.86*
Other equity	**16**		2,612.34		*15,739.51*
Total Equity				**3,902.20**	*17,029.37*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**17**	5,548.20			*5,823.57*
ii) Lease liability	**45**	19.38			*195.57*
iii) Other financial liabilities	**18A**	139.50			*154.00*
			5,707.08		*6,173.14*
Provisions	**19A**		536.06		*627.89*
Total Non-current liabilities				**6,243.14**	*6,801.03*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**22**	4,620.56			*9,289.57*
ii) Lease liability	**45**	6.80			*17.75*
iii) Trade payables	**23**				
a) total outstanding dues of micro enterprises and small enterprises; and		550.98			*517.73*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,179.79			*5,407.60*
iv) Other financial liabilities	**18B**	4,529.73			*1,155.03*
			13,887.86		*16,387.68*
Other current liabilities	**21**		21,274.56		*12,083.91*
Provisions	**19B**		436.97		*452.20*
Current tax liabilities (net)	**24**		-		*76.07*
Total Current Liabilities				**35,599.39**	*28,999.86*
Total Liabilities				**41,842.53**	*35,800.89*
Total Equity and Liabilities				**45,744.73**	*52,830.26*

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

Place: Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

NIRMAL JAGAWAT
Chief Financial Officer

JAI L. MAVANI
Director
DIN : 05260191

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2022

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

	Particulars	Note No.	₹ in Lakhs	Year ended 31st Mar., 2022 ₹ in Lakhs	*Year ended 31st Mar., 2021 ₹ in Lakhs*
I	Revenue from operations	**25**	23,504.51		*56,236.32*
II	Other income	**26**	1,369.85		*1,337.34*
III	**Total Income (I + II)**			**24,874.36**	*57,573.66*
IV	**Expenses:**				
	Real estate development costs	**27**	2,511.49		*4,602.38*
	Cost of materials consumed	**28A**	8,166.13		*5,880.11*
	Purchases of stock-in-trade		273.25		*84.05*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**28B**	(2,214.24)		*22,926.24*
	Employee benefits expenses	**29**	4,880.26		*4,237.72*
	Finance costs	**30**	1,234.64		*1,375.72*
	Depreciation and amortisation expense	**31**	1,307.79		*1,429.09*
	Other expenses	**32A**	6,570.56		*4,689.94*
	Total expenses (IV)			**22,729.88**	*45,225.25*
V	**Profit before exceptional items and tax (III - IV)**			**2,144.48**	*12,348.41*
VI	Exceptional items (net)	**32B**		**4,10,091.01**	*(11,437.85)*
VII	**Profit / (loss) before tax (V + VI)**			**4,12,235.49**	*910.56*
VIII	**Tax expense / (credit):**				
	(a) Current tax (including MAT credit utilised Nil (Previous year Nil))	**33**	-		*-*
	(b) Deferred tax	**33**	(1,058.72)		*4,013.39*
				(1,058.72)	*4,013.39*
IX	**Profit / (loss) for the year**			**4,13,294.21**	*(3,102.83)*
X	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to Statement of Profit and Loss				
	Remeasurement of the defined benefit plans			**21.59**	*(44.79)*
	(ii) Income tax relating to these items				
	Deferred tax			**-**	*(11.27)*
				21.59	*(33.52)*
XI	**Total Comprehensive Income / (Loss) for the year (IX + X)**			**4,13,315.80**	*(3,136.35)*
XII	**Earning per equity share :**				
	Basic and diluted earnings per equity share (After exceptional items)	**34**		**₹ 3,203.83**	*₹ (24.05)*
	Basic and diluted earnings per equity share (Before exceptional items)			**₹ 24.83**	*₹ 64.62*

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

Place: Mumbai
Date: 30th May, 2022

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 30th May, 2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

	Year ended 31st Mar., 2022 ₹ in Lakhs		*Year ended 31st Mar., 2021 ₹ in Lakhs*	
Cash flows from operating activities				
Profit before tax		**4,12,235.49**		*910.56*
Adjustments for -				
Depreciation and amortisation expense	1,307.59		*1,429.09*	
Interest income earned on financial assets that are not designated as fair value through profit or loss :				
(i) Bank deposits	(57.68)		*(19.46)*	
(ii) Inter corporate deposit	(18.83)		*(110.84)*	
Interest on Income Tax/ Wealth Tax refund	-		*(92.78)*	
Finance costs	1,234.51		*1,375.72*	
Gain on disposal of property, plant and equipment	(345.79)		*(754.80)*	
(Recoveries) / Provision for doubtful trade receivables	(79.01)		*12.43*	
Provision for doubtful loans and advances	2.34		*9.95*	
Advances written off	26.25		*3.94*	
Trade receivables written off	1.00		-	
Gain on fair value of long-term investments in a subsidiary company	(158.37)		*(175.29)*	
Credit balances / excess provision written back	(84.85)		*(46.31)*	
Net unrealised exchange loss	(13.67)		*2.60*	
		1,813.49		*1,634.25*
Exceptional items:				
- Provision for disputed matters	230.19		-	
- Impairment of investments, loans (Including interest accrued thereon) and other receivables in a subsidiary/ Provision for Guarantees given to a subsidiary (Forbes Technosys Limited)	7,517.23		*11,437.85*	
- Impairment of Investments in a subsidiary (Shapoorji Pallonji Forbes Shipping Limited)	3,305.13		-	
- Notional income on early redemption of debentures	(1,203.49)		-	
- Impairment of loans, financial assets and receivables in a subsidiary (Lux Group)	32,935.67		-	
- Notional gain on distribution of demerged undertaking to owners	(4,52,875.74)		-	
		(4,10,091.01)		*11,437.85*
		(4,08,277.52)		*13,072.10*
Operating profit before working capital changes		**3,957.97**		*13,982.66*
Changes in working capital:				
(Increase)/ decrease in trade and other receivables	999.41		*(1,080.08)*	
(Increase)/ decrease in inventories	(3,016.16)		*22,825.84*	
(Increase)/ decrease in other assets	(256.58)		*306.85*	
Increase/ (decrease) in trade and other payables	(978.06)		*893.98*	
Increase/ (decrease) in provisions	(85.07)		*(105.00)*	
Increase/ (decrease) in other liabilities	5,160.84		*(27,227.45)*	
		1,824.38		*(4,385.86)*
Cash inflow from operations		**5,782.35**		*9,596.80*
Income taxes (paid)/ refunds received (net)		**468.10**		*272.18*
(a) Net cash flow inflow from operating activities		**6,250.45**		*9,868.98*
Cash flows from investing activities:				
Payments for property, plant and equipment including assets held for sale (net of capital creditors and including capital advances, capital work-in-progress, investment properties and intangible assets)	(3,197.06)		*(776.95)*	
Advance received in relation to assets held for sale	4,000.00		-	
Proceeds from disposal of property, plant and equipment	477.44		*839.00*	
Inter Corporate Deposits given to related parties	(4,733.28)		*(3,197.50)*	
Amount received on capital reduction in a subsidiary	28.85		-	
Amount received on redemption of preference shares	1,728.00		-	
Loans and advances given to related parties realised	-		*125.00*	
Bank balances not considered as cash and cash equivalents	(29.44)		*(73.19)*	
Interest received	77.59		*27.92*	
(b) Net cash (outflow) from investing activities		**(1,647.90)**		*(3,055.72)*

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

			Year ended 31st Mar., 2022 (Audited)		*Year ended 31st Mar., 2021 (Audited)*	
	Cash flows from financing activities:					
	Proceeds from long-term borrowings		2,019.98		*3,269.74*	
	Repayment of long-term borrowings		(5,541.09)		*(3,177.77)*	
	Net Increase in cash credit, overdraft balances, credit card facilities and commercial papers		(1,422.11)		*(3,511.38)*	
	Finance costs paid		(1,190.53)		*(1,345.66)*	
	Payment of Lease Liabilities		(28.13)		*(66.91)*	
	Dividend paid on equity shares*		(0.12)		*(1.34)*	
(c)	**Net cash inflow / (outflow) from financing activities**			**(6,162.00)**		*(4,833.32)*
(d)	**Net increase/ (decrease) in cash and cash equivalents (a + b + c)**			**(1,559.45)**		*1,979.94*
(e)	**Cash and cash equivalents as at the commencement of the year**			**2,170.53**		*190.59*
(f)	**Cash and cash equivalents as at the end of the year (d + e)**			**611.08**		*2,170.53*

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

	31st Mar., 2022 ₹ in Lakhs	*31st Mar., 2021 ₹ in Lakhs*
Cash and cash equivalents as per above comprise of the following		
Balances with bank		
- In current accounts	**549.43**	*2,017.47*
- In EEFC Accounts	**61.65**	*141.83*
Cheques, drafts on hand	**-**	*11.06*
Cash on hand *	**0.00**	*0.17*
Balances as per statement of cash flows	**611.08**	*2,170.53*

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
2. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to current year classification.
3. Other bank balances at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 24.30 Lakhs *(Previous year ₹24.48 Lakhs)* and (ii) margin money deposits ₹ 259.81 Lakhs *(Previous year ₹ 235.04 Lakhs)* includes security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Company.
4. The interest paid during the year excludes interest expense on loans for real estate development activites amounting to ₹ 52.75 Lakhs *(Previous year ₹ 363.49 Lakhs)*.

* Amount is below rounding off norms of 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

Place: Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

NIRMAL JAGAWAT
Chief Financial Officer

JAI L. MAVANI
Director
DIN : 05260191

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2022

Statement of changes in Equity for the year ended 31st March, 2022

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance as at 31st March, 2020	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2021	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2022	**1,289.86**

b. Other equity

₹ in Lakhs

Particulars	Reserves and surplus			
	General Reserves	Capital Reserve	Retained earnings	Total
Balance as at 31st March, 2020	**16,188.60**	**-**	**2,687.26**	**18,875.86**
Profit / (loss) for the year	-	-	(3,102.83)	(3,102.83)
Other comprehensive income / (loss) for the year, net of income tax	-	-	(33.52)	(33.52)
Total comprehensive income / (loss) for the year	**-**	**-**	**(3,136.35)**	**(3,136.35)**
Balance as at 31st March, 2021	**16,188.60**	**-**	**(449.09)**	**15,739.51**
Profit / (loss) for the year	-	-	4,13,294.21	4,13,294.21
Other comprehensive income / (loss) for the year, net of income tax	-	-	21.59	21.59
Total comprehensive income / (loss) for the year	**-**	**-**	**4,13,315.80**	**4,13,315.80**
Deemed Dividend (Notional) (Refer note 53)	-	-	(4,06,600.00)	(4,06,600.00)
Impact of merger as per the composite scheme of arrangement (Refer note 53)	23,765.85	619.09	50,294.17	74,679.11
Capital reserve created on merger (Refer note 53)	-	(94,522.08)	-	(94,522.08)
Balance as at 31st March, 2022	**39,954.45**	**(93,902.99)**	**56,560.88**	**2,612.34**

For significant accounting policies, Refer Note 2

The accompanying notes form an integral part of the financial statements

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 30th May, 2022

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

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

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

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

iii) Investments in subsidiaries, associates and joint ventures

Subsidiaries:

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

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

Associates:

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

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

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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 includes directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Freehold land is not depreciated.

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

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

Depreciation on property, plant and equipment has been provided on straight line method as per the useful lives estimated by management. The life of the assets has been assessed based on technical evaluation which are higher than those specified by Schedule II to the Act, taking into account the nature of the assets, the estimated usage of the assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, etc.

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

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

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

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	30 - 60 years
b	Plant and Equipment	10 - 15 years
c	Furniture and Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 5 years and Data processing equipments 3 to 5 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 building useful life is based on technical certification
g	Temporary structures (included in building)	4 years
h	Solar Power Plant	25 years

Fixed assets individually costing ₹ 5,000 and less are depreciated fully in the year of purchase.

v) Capital work-in-progress

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

vi) Investment properties

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

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

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

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

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

ix) Impairment of Assets

The Company assesses at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount (cash generating unit). The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised. Non financial asset other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating unit).

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

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

xi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

Classification:

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

Impairment of financial assets

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

For trade receivables or any contractual right to receive cash or another financial asset that result from revenue transactions, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

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

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

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

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

xii) Inventories

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

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as "Real Estate Work in Progress" under Note 12 Inventories.

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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.

c) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Contribution Plans

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

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

Defined Benefit Plans

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

Eligible employees receive benefits from a provident fund which is defined benefit plan. 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 Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. 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, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

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

1 <u>Sale of goods:</u>

Revenue from the sale of goods is recognised when control of the products has been transferred based on agreed terms and there is no unfulfilled obligation which could affect the customers acceptance of the products.

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

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

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component

b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred

c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

2 Sale of Services:

Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

3 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).

4 Export Incentives:

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

xvii) Revenue from real estate contracts:

In respect of real estate development projects undertaken by the Company, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revene over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units. Considering the terms of the contract, revenue is recognised at a point in time when:

- The Company has transferred to the customer all significant risk and rewards of ownership and the Company retains no effective control of the real estate unit to a degree usually associated with ownership;
- The Company has handed over possession of the real estate unit to the customer or deemed possession based on the contract with the customer;
- No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the real estate unit;
- It is not unreasonable to expect ultimate collection of revenue from customer

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers

xviii) Foreign currency transactions and balances

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

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

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

xix) Lease accounting

As a lessee:

From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non lease components. The Company allocates the consideration in the contracts to the lease and non-lease components based on their relative standalone prices. However, the Company has elected not to separate lease and non-lease components and instead account for these as a single lease components.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substances fixed payments), less any lease incentive receivable
- the exercise price of the purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third party financing received by the lessee as a starting point, adjusted to reflects changes in financing condition since third party financing received
- use a build-up approach that starts with the risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- make adjustments specific to the leases, e.g. term, security, currency etc.

The Company is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. Finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis in the Statement of Profit and Loss. Short term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating leases are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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 Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xxi) Government grants

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

xxii) Borrowing Costs

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

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

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

xxiii) Segment Reporting

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

xxiv) Non-current assets held for sale

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

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

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

xxv) Cash and cash equivalents

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

xxvi) Principles of business combinations

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

xxvii) Dividend

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

xxviii) Exceptional Items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

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

The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind AS 115 involves significant judgement.

3.2.2 Contingent Liabilities and Provisions

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

3.2.3 Useful life and residual value of Property, Plant and Equipment (including investment properties)

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

3.2.4 Fair value measurement and valuation process

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

3.2.5 Impairment

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

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.2.7 Defined Benefit Obligations

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

3.2.8 Deferred Tax Asset

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

4. ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

(i) New and amended standards adopted by the Company

The Company has applied following amendments to Ind AS for the first time effective April 1, 2021.

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107,

  Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognized in prior periods or current period and are not expected to significantly affect the future periods.

(ii) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. The Company is in the process of evaluating the impacts of the above amendments.

(iii) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance sheet (extract)	31st Mar., 2021 (as previously reported)	Increase/ (Decrease)	31st Mar., 2021
Other financial liabilities (current)	5,524.14	(5,524.14)	-
Current borrowings	-	5,524.14	5,524.14
Loans (non-current)	174.88	(174.88)	-
Other financial assets (non-current)	-	174.88	174.88

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

5A. Property, plant and equipment (Own, unless otherwise stated) for the year ended 31st March, 2022.

₹ 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., 2022
Cost or Deemed cost									
Balance at 1st April, 2021	**-**	**4,569.40**	**61.18**	**176.41**	**189.05**	**196.97**	**8,379.60**	**1.02**	**13,573.63**
Additions	-	174.63	44.62	182.09	5.97	0.58	1,052.29	-	**1,460.18**
Disposals	-	672.63	34.31	53.93	1.24	9.14	75.41	-	**846.66**
Transferred from Investment Properties (Refer Note 6)	-	53.58	-	-	-	-	-	-	**53.58**
Balance at 31st March, 2022	**-**	**4,124.98**	**71.49**	**304.57**	**193.78**	**188.41**	**9,356.48**	**1.02**	**14,240.73**
Accumulated depreciation									
Balance at 1st April, 2021	**-**	**834.87**	**45.67**	**126.74**	**173.32**	**146.16**	**3,151.36**	**1.02**	**4,479.14**
Eliminated on disposals of assets	-	587.86	34.31	53.78	1.24	5.41	36.20	-	**718.80**
Depreciation expense for the year	-	155.59	12.53	38.46	9.33	10.98	926.35	-	**1,153.24**
Transferred from Investment Properties (Refer Note 6)	-	30.34	-	-	-	-	-	-	**30.34**
Balance at 31st March, 2022	**-**	**432.94**	**23.89**	**111.42**	**181.41**	**151.73**	**4,041.51**	**1.02**	**4,943.92**
Carrying Amount									
Balance at 31st March, 2022	**-**	**3,692.04**	**47.60**	**193.15**	**12.37**	**36.68**	**5,314.97**	**-**	**9,296.81**

Notes:

1. Plant and equipment includes assets that are jointly owned having carrying amount is Nil.

5B. Property, plant and equipment (Own, unless otherwise stated) for the previous year ended 31st March, 2021.

₹ 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., 2021*
Cost or Deemed cost									
Balance at 1st April, 2020	*38.62*	*4,550.24*	*61.18*	*174.67*	*199.97*	*197.54*	*8,211.82*	*1.02*	*13,435.06*
Additions	-	*19.16*	-	*1.94*	*1.07*	-	*220.66*	-	*242.83*
Disposals	-	-	-	*0.20*	*11.99*	*0.57*	*52.88*	-	*65.64*
Reclassified as held for sale	*38.62*	-	-	-	-	-	-	-	*38.62*
Balance at 31st March, 2021	-	*4,569.40*	*61.18*	*176.41*	*189.05*	*196.97*	*8,379.60*	*1.02*	*13,573.63*
Accumulated depreciation									
Balance at 1st April, 2020	-	*538.35*	*33.54*	*88.42*	*164.80*	*126.73*	*2,342.69*	*1.02*	*3,295.55*
Eliminated on disposals of assets	-	-	-	*0.12*	*11.98*	*0.57*	*42.47*	-	*55.14*
Depreciation expense for the year	-	*296.52*	*12.13*	*38.44*	*20.50*	*20.00*	*851.14*	-	*1,238.73*
Balance at 31st March, 2021	-	*834.87*	*45.67*	*126.74*	*173.32*	*146.16*	*3,151.36*	*1.02*	*4,479.14*
Carrying Amount									
Balance at 31st March, 2021	-	*3,734.53*	*15.51*	*49.67*	*15.73*	*50.81*	*5,228.24*	-	*9,094.49*

Notes:

1. *Plant and equipment includes assets that are jointly owned having carrying amount is Nil.*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

5.1 (a) Capital work-in-progress

₹ In Lakhs

Particulars	As at 1st Apr., 2021	Additions	Amounts Capitalised	As at 31st Mar., 2022
Capital work in progress	197.85	3,670.69	* 3,786.72	81.82

Previous year

Particulars	*As at 1st Apr., 2020*	*Additions*	*Amounts Capitalised*	*As at 31st Mar., 2021*
Capital work in progress	*115.47*	*325.21*	*242.83*	*197.85*

** Includes ₹ 2,277.08 lakhs paid towards Urban Land (Ceiling & Regulation) Act, 1976 premium for assets held for sale. Also refer Note 54.*

(b) Capital work-in-progress - Ageing
Current year

₹ In Lakhs

	Amounts in capital work-in-progress for				
	Less than one year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	81.82	-	-	-	**81.82**
Projects temporarily suspended	-	-	-	-	**-**
Total	81.82	-	-	-	**81.82**

Previous year

	Amounts in capital work-in-progress for				
	Less than one year	*1-2 years*	*2-3 years*	*More than 3 years*	*Total*
Projects in progress	*197.85*	-	-	-	*197.85*
Projects temporarily suspended	-	-	-	-	-
Total	*197.85*	-	-	-	*197.85*

(c) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(d) Title deeds of immovable properties not held in the name of the company :

Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company	Relevant line item in the Balance Sheet
Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company has not been carried out.	Property, plant and equipment and Investment Property
Lease rights for land and self-constructed building at Fort, Mumbai in the possession of the Company	1,129.42	Forbes Forbes Campbell & Co. Limited	No	39-55	The property is in the name of 'Forbes Forbes Campbell & Co. Limited' and the Company has made an application for renewal of lease, for which approval is awaited from authorities.	Investment Property

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company	Relevant line item in the Balance Sheet
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company has not been carried out.	Property, plant and equipment and Investment Property
Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).	Investment Property
Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.	Investment Property

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Completed investment properties	**2,255.60**	*2,344.74*
Total	**2,255.60**	*2,344.74*

Cost or Deemed Cost		
Balance at 1st April, 2021 / 1st April, 2020	**2,720.95**	*2,830.80*
Disposals	**3.68**	*109.85*
Additions	**-**	*-*
Transferred to property, plant and equipment (Refer Note 5A)	**53.58**	*-*
Property classified as held for sale	**-**	*-*
Balance at 31st March, 2022 / 31st March, 2021	**2,663.69**	*2,720.95*

Accumulated depreciation		
Balance at 1st April, 2021 / 1st April, 2020	**376.21**	*347.76*
Transferred to property, plant and equipment (Refer Note 5A)	**30.34**	*-*
Disposals	**0.80**	*36.16*
Depreciation expense for the year	**63.02**	*64.61*
Balance at 31st March, 2022 / 31st March, 2021	**408.09**	*376.21*

Carrying amount	**-**	*-*
Balance at 31st March, 2022 / 31st March, 2021	**2,255.60**	*2,344.74*

Notes:

(i) Investment properties (Cost) include jointly owned Residential Premises including land with carrying amount ₹1,551.52 Lakhs *(Previous year ₹ 1,551.68 Lakhs)* and Shares in Co-operative Housing Societies, Association of apartment owners and in a company aggregating ₹ 0.17 Lakh *(Previous year ₹ 0.17 Lakh)*.

(ii) Investment properties includes the rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 270.08 Lakhs *(Previous year ₹ 308.66 Lakhs)* of which ₹ 42.15 Lakhs *(Previous year ₹ 48.17 Lakhs)* has been disclosed under property, plant and equipment (Refer Note 5A) for which the Company has made an application for renewal of lease and approval from authorities awaited thereon.

6.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2022 and 31st March, 2021 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi, independent valuer not related to the Company. V.S. Modi is registered with the authority which governs the valuers in India, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

the properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2022 and 31st March, 2021 are as follows:

₹ In Lakhs

Particulars	Level 3	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Andhra Pradesh - Land	**28.51**	*28.51*
Delhi - Building	**191.52**	*187.45*
Gujarat - Land and Building	**545.95**	*501.74*
Kerala - Building	**193.75**	*180.00*
Maharashtra - Land and Building	**61,578.95**	*60,788.96*
Tamil Nadu - Land and Building	**313.84**	*270.77*
West Bengal - Building	**641.95**	*625.75*
Total	**63,494.47**	*62,583.18*

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

₹ In Lakhs

	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Cost or Deemed cost		
Balance at 1st April, 2021 / 1st April, 2020	**469.22**	*454.42*
Additions during the year	**49.47**	*14.80*
Disposals	**56.16**	-
Balance at 31st March, 2022 / 31st March, 2021	**462.53**	*469.22*
Accumulated amortisation		
Balance at 1st April, 2021 / 1st April, 2020	**304.20**	*232.00*
Eliminated on disposals of assets	**56.16**	-
Amortisation charge for the year	**65.48**	*72.20*
Balance at 31st March, 2022 / 31st March, 2021	**313.52**	*304.20*
Carrying Amount		
Balance at 31st March, 2022 / 31st March, 2021	**149.01**	*165.02*

7.1 Intangible assets under development

₹ In Lakhs

Particulars	**As at 1st Apr., 2021**	**Additions**	**Amounts Capitalised**	**Amounts written off**	**As at 31st Mar., 2022**
Intangible asset under development	-	-	-	-	-

Previous year

Particulars	*As at 1st Apr., 2020*	*Additions*	*Amounts Capitalised*	*Amounts written off*	*As at 31st Mar., 2021*
Intangible asset under development	*13.36*	*1.45*	*14.81*	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 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 (Refer Note 57)	**-**	**1,686.26**	*-*	*1,686.26*
4. Equity shares of ₹ 10 each in Eureka Forbes Limited (Refer Note 53)	**-**	**-**	*37,78,000*	*6,572.86*
5. Equity shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 3 below and Note 52) [Provision for impairment in value ₹ 7,300.00 Lakhs; *(Previous year ₹ 2,500.00 Lakhs)*]	**7,30,00,000**	**-**	*2,50,00,000*	*-*
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*
8. Equity component in Zero Percent Redeemable Preference Shares of Shapoorji Pallonji Forbes Shipping Limited	**-**	**-**	*-*	*2,770.17*
9. Equity component in Financial Guarantee given to Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 350.78 Lakhs; *(Previous year ₹ 350.78 Lakhs)*]	**-**	**-**	*-*	*-*
10. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 6,015.51 Lakhs; *(Previous year ₹ 6,015.51 Lakhs)*]	**-**	**-**	*-*	*-*
11. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1)	**-**	**-**	*-*	*1.29*
12. Equity shares of Euro 1 each in EFL Mauritius Limited (Refer note 53)	**15,001**	**-**	**-**	**-**
13. Equity shares of CHF 1,000 each in Forbes Lux International AG (Refer note 53)	**33,500**	**-**	*-*	*-*
b) Preference Shares (at amortised cost)				
1. Preference Shares of Euro 1 each fully paid up in EFL Mauritius Limited (Refer Note 53)	**2,87,05,230**	**-**	*-*	*-*
2. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1)	**-**	**-**	*3,09,00,000*	*1,138.24*
c) Debentures (at fair value through profit or loss)				
1. 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited (Refer Note 57)	**-**	**-**	*1,72,67,500*	*496.13*
Total		**3,654.86**		*16,683.55*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

8B. Investments in associates

₹ In Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 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**	**5.88**	*58,849*	*5.88*
Total		**5.88**		*5.88*

8C. Other investments

Non Current

₹ In Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 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**	**0.05**	*5,500*	*0.55*
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [Provision for impairment in value ₹ 0.05 Lakhs; *(Previous year ₹ 0.05 Lakhs)*]	**10**	**0.00** *	*10*	*0.00* *
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 [Provision for impairment in value ₹150.33 Lakhs; *(Previous year ₹150.33 Lakhs)*] (Refer Note 43)	**4,20,170**	**0.00** *	*4,20,170*	*0.00* *
5. Equity shares 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 2 below)	**8,64,960**	**0.00** *	*8,64,960*	*0.00* *
6. 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 4 below)	**2,500**	**0.00** *	*2,500*	*0.00* *
7. Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	**100**	**0.03**	*100*	*0.03*
Total		**0.18**		*0.68*

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

Notes:

1. Pursuant to NCLT and Bombay High Court approval vide order dated 21st January, 2022 for capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), 2,01,25,000 equity shares of ₹ 10 each and 87,50,000 preference shares of ₹ 10 each were cancelled.

   Further, SPFSL has incurred a loss of ₹ 879.84 Lakhs during the year ended 31st March, 2022 and SPFSL has sold some of its shipping vessels on which exceptional loss was incurred in the previous as well as current year. As at the year-end only one ship remains (which has been sold subsequent to the year ended 31st March, 2022). Consequently, the recoverable value from use/ sale of the remaining vessels in SPFSL is lower as compared to the carrying value of the investment in SPFSL and an impairment provision of ₹ 791.41 Lakhs and ₹ 3,305.13 Lakhs respectively for the quarter and year ended 31st March, 2022 has been recorded as an exceptional expense.

Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved the termination of the Joint Venture Agreement between Shapoorji Pallonji Forbes Shipping Limited (SPFSL"), Sterling Investment Corporation Private Limited and G. S. Enterprises dated 1st December, 2014 with effect from close of business hours on 28th February, 2022. Consequently, w.e.f. 1st March, 2022, SPFSL ceases to be a subsidiary of the Company and now stands as an associate.

The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022.

During one of the earlier year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary of the Company whereby 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, the Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same was disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017.

2. Forbes Container Line Pte. Ltd., Singapore (FCLPL"), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.

3. Existing inter corporate deposits (including interest accrued thereon) of ₹ 3,000 Lakhs and ₹ 1,800 Lakhs, which were fully provided, have been converted into 48,000,000 equity shares of ₹10 each of Forbes Technosys Limited, subsidiary of the Company, at a price of ₹ 10 per share during the months of June 2021 and July 2021 respectively.

4. Edumetry Inc., USA , a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements. The Company has made full provision for these investments in earlier years.

8D. Investments in Joint Ventures

₹ In Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 Amount*
Equity Instruments (at cost less impairment)				
	26,25,000	**-**	-	-
Total		**-**		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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

₹ In Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Financial assets carried at fair value through profit or loss		
Equity Instruments	**0.18**	*0.68*
Debentures	**-**	*496.13*
	0.18	*496.81*
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	**1,686.26**	*4,456.43*
Equity components in financial guarantee	**-**	*1.29*
Preference shares classified as equity	**-**	*-*
Equity shares (Unquoted)	**1,974.48**	*10,597.34*
	3,660.74	*15,055.06*
Financial assets carried at amortised cost		
Preference shares	**-**	*1,138.24*
	-	*1,138.24*
Total	**3,660.92**	*16,690.11*
Note		
Aggregate amount of unquoted investments (net of impairment)	**3,660.92**	*16,690.11*
Aggregate amount of impairment in value of investments	**14,123.41**	*9,323.41*

9. Trade receivables

₹ in Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Trade receivables		
a) Trade receivables from contract with customers – billed	**3,812.00**	*4,369.84*
b) Trade receivables from contract with customers – related parties	**3,135.54**	*174.48*
c) Less: Loss allowance	**3,803.24**	*1,092.21*
Total	**3,144.30**	*3,452.11*
Break-up of security details		
a) Secured, considered good	**108.53**	*136.67*
b) Unsecured, considered good	**3,035.77**	*3,315.44*
c) Doubtful	**3,803.24**	*1,092.21*
	6,947.54	*4,544.32*
Less: Allowance for doubtful debts (expected credit loss allowance)	**3,803.24**	*1,092.21*
Total	**3,144.30**	*3,452.11*

9.1 Trade receivables

₹ in Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Debts due by private companies in which a director is a director / member (₹ in Lakhs) (Refer Note 40)	**3.61**	*49.33*
Less : Allowance for doubtful debts (expected credit loss allowance)	**-**	*10.18*
Net Debts	**3.61**	*39.15*

For trade receivables from related parties (Refer Note 40).

The average credit period on sales is approximately 50 days *(Previous year 70 days)*. No interest is charged on trade receivables overdue.

There are no customers (other than inter company balances) who represent more than 5% of the total balance of trade receivables.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Expected credit loss for trade receivables for the year ended 31st March, 2022

₹ In Lakhs

	Outstanding for the following periods from the due date							
	Unbilled	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables								
Considered good	-	2,552.71	561.27	4.21	-	-	26.11	**3,144.30**
which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
credit impaired	-	-	-	4.99	69.85	178.60	3,549.80	**3,803.24**
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	**-**
which have significant increase in credit risk	-	-	-	-	-	-	-	**-**
credit impaired	-	-	-	-	-	-	-	**-**
Total	**-**	**2,552.71**	**561.27**	**9.20**	**69.85**	**178.60**	**3,575.91**	**6,947.54**

Expected credit loss for trade receivables for the year ended 31st March, 2021

₹ In Lakhs

	Outstanding for the following periods from the due date							
	Unbilled	***Not due***	***Less than 6 months***	***6 months - 1 year***	***1-2 years***	***2-3 years***	***More than 3 years***	***Total***
Undisputed trade receivables								
Considered good	-	*2,793.55*	*494.73*	*8.85*	*118.18*	*4.88*	*31.95*	*3,452.14*
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	*8.85*	*258.92*	*60.26*	*764.15*	*1,092.18*
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	-	*2,793.55*	*494.73*	*17.70*	*377.10*	*65.14*	*796.10*	*4,544.32*

Movement in the allowance for doubtful debts ₹ in Lakhs

Particulars	**Year ended 31st Mar., 2022**	*Year ended 31st Mar., 2021*
Opening balance	**1,092.21**	*1,002.14*
Impairment losses recognised on receivables	**2,474.52**	*178.11*
Impairment losses recognised on composite scheme arrangement	**569.39**	-
Impact of foreign exchange on re-statement	**5.04**	-
Amounts written off during the year as uncollectible	**(240.35)**	*(22.26)*
Amounts recovered during the year	**(97.57)**	*(65.78)*
Balance at end of the year	**3,803.24**	*1,092.21*

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 ₹ 3,803.24 Lakhs *(Previous year ₹ 1,092.21 Lakhs)* were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

10. Loans
10A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Loans to related parties		
-Secured, considered doubtful	**26,308.21**	-
Less : Allowance for doubtful advances	**26,308.21**	-
Total (a)	**-**	**-**
b) Loans to others		
Secured, considered doubtful (Refer Notes 43)	**4,391.78**	*4,391.78*
Less : Allowance for bad and doubtful loans	**4,391.78**	*4,391.78*
Total (b)	**-**	**-**
Total (a+b)	**-**	**-**

10B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Loans to related parties		
-Unsecured, considered doubtful (Refer Notes 32B and 52)	**3,265.73**	*3,332.50*
Less : Allowance for bad and doubtful loans	**3,265.73**	*3,332.50*
Total (a)	**-**	-
b) Loans and advances to employees		
-Unsecured, considered good	**0.83**	*1.52*
Total (b)	**0.83**	*1.52*
c) Loans to others		
- Unsecured, considered doubtful (Refer Notes 8 and 46)	**375.00**	*375.00*
Less : Allowance for bad and doubtful loans	**375.00**	*375.00*
Total (c)	**-**	-
Total (a+b+c)	**0.83**	*1.52*

Note: The above loans are carried at amortised cost.

Movement in the allowance for bad and doubtful loans and advances and Other financial assets

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Balance at beginning of the year	**8,466.68**	*4,776.58*
Amounts provided for / (reversed) during the year	**35,203.84**	*3,690.10*
Impairment losses recognised on composite scheme arrangement	**16,216.44**	-
Impact of foreign exchange on re-statement	**(112.47)**	-
Converted to equity investments	**(4,800.00)**	-
Balance at end of the year	**54,974.49**	*8,466.68*

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

₹ in Lakhs

	As at 31st Mar., 2022 Amount outstanding	*As at 31st Mar., 2021 Amount outstanding*
a) amounts repayable on demand		
- Other related parties*	**29,573.94**	*3,332.50*
	29,573.94	*3,332.50*

*The above mentioned loans to related parties are fully provided as on March 31, 2022 and March 31, 2021.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

11. Other financial assets

11A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Security deposits		
- Unsecured, considered good	**143.76**	*174.88*
- Doubtful	**2.89**	*11.95*
Less : Allowance for bad and doubtful deposits	**2.89**	*11.95*
Total (a)	**143.76**	*174.88*
b) Balance held as margin money with banks with remaining maturity period of more than 12 months		
- Unsecured, considered good	**1.98**	*2.27*
Total (b)	**1.98**	*2.27*
c) Accruals:		
i) Interest Accrued on Inter Corporate Deposits to related parties	**7,035.84**	-
Less : Allowance for doubtful Inter Corporate Deposits (Refer Note 58)	**7,035.84**	-
Total (c)	**-**	-
d) Advances to related parties		
- Doubtful	**13,239.59**	-
Less : Allowance for doubtful Advances to Related Parties (Refer Note 58)	**13,239.59**	-
Total (d)	**-**	-
Total (a+b+c+d)	**145.74**	*177.15*

11B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Accruals:		
i) Interest accrued on deposits with bank	**0.70**	*0.79*
ii) Interest accrued on investments	**-**	*0.69*
iii) Interest accrued on loans, considered doubtful (Refer Note 40 and Note 52)	**126.78**	*126.78*
Less : Allowance for doubtful interest	**126.78**	*126.78*
Total (a)	**0.70**	*1.48*
b) Security deposits		
- Unsecured, considered good	**-**	*1.10*
Total (b)	**-**	*1.10*
c) Contractually reimbursable expenses from related parties		
- Unsecured, considered good	**92.72**	*123.30*
- Doubtful (Refer Note 40 and Note 52)	**228.67**	*228.67*
Less : Allowance for doubtful debts	**228.67**	*228.67*
Total (c)	**92.72**	*123.30*
d) Other current receivables		
Unsecured, considered good (Refer Note 44)	**3.97**	*782.46*
Total (d)	**3.97**	*782.46*
Total (a+b+c+d)	**97.39**	*908.34*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

12. Inventories

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
Inventories (lower of cost and net realisable value)		
Raw materials including packing materials [In transit ₹ 287.74 Lakhs; (*Previous year ₹ 44.05 Lakhs)*]	**1,869.28**	*961.61*
Work-in-progress	**817.19**	*590.45*
Finished goods [In transit ₹ 199.45 Lakhs; (*Previous year ₹ 332.58 Lakhs)*]	**1,388.16**	*1,002.70*
Stock-in-trade [In transit ₹ 12.14 Lakhs; *(Previous year Nil)*]	**154.09**	*21.26*
Stores and spares	**141.62**	*247.47*
Real estate work-in-progress (Refer Note 50)	**11,973.79**	*10,504.58*
Total	**16,344.13**	*13,328.07*

Note:

The cost of inventories recognised as an expense includes ₹ 360.82 Lakhs *(Previous year ₹ 284.47 Lakhs)* in respect of write-downs to net realisable value respectively.

13A. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
Balances with Banks		
a) In Current Accounts	**549.43**	*2,017.47*
b) In EEFC Account [USD 80,631.91; *(Previous year USD 1,87,615.91)* and EUR 837.68; *(Previous year EUR 5,012.70)]*	**61.65**	*141.83*
	611.08	*2,159.30*
Cheques on hand	**-**	*11.06*
Cash on hand	**0.00**	*0.17*
Total	**611.08**	*2,170.53*

13B. Other Bank balances

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Earmarked balance with the banks:		
-Unpaid dividends	**24.30**	*24.48*
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited under lien.	**5.10**	-
c) Balances held as margin money / under lien with remaining maturity of less than 12 months	**259.81**	*235.04*
Total	**289.21**	*259.52*

14. Other assets

14A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Capital Advances	**33.11**	*113.31*
b) Prepaid expenses	**75.95**	*56.24*
c) Balances with government authorities		
- Unsecured, considered good	**105.03**	*125.95*
- Doubtful	**83.31**	*98.49*
Less : Allowance for doubtful balances	**83.31**	*98.49*
	105.03	*125.95*
d) Advance wealth tax	**49.94**	*49.94*
Total	**264.03**	*345.44*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

14B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Advances for supply of goods and services		
- Unsecured, considered good	**181.11**	*193.28*
- Doubtful	**24.09**	*14.89*
Less: Allowance for doubtful advances	**24.09**	*14.89*
	181.11	*193.28*
b) Prepaid expenses	**711.40**	*408.23*
c) Balances with government authorities	**136.20**	*70.91*
d) Export incentives receivables	**33.25**	*161.19*
e) Others	**3.92**	-
Total	**1,065.88**	*833.61*

15. Equity share capital

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Authorised Share capital :		
4,30,50,000 fully paid equity shares of ₹ 10 each *(Previous year 15,00,00,000)*	**4,305.00**	*1,500.00*
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each *(Previous year 1,28,98,616)*	**1,289.86**	*1,289.86*
	1,289.86	*1,289.86*

During the current year, the Authorised Share Capital of the Company was increased from ₹ 1,50,00,000 to ₹ 4,30,50,000 pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal vide order dated January 25, 2022 (Refer note 53).

Notes:

1 Fully paid equity shares

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

Rights, preferences and restrictions attached to equity shares

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

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

	Fully paid ordinary shares	
Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
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*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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

Particulars	**As at 31st Mar., 2022** Number of shares held	**As at 31st Mar., 2022** % holding in the class of shares	*As at 31st Mar., 2021* Number of shares held	*As at 31st Mar., 2021* % holding in the class of shares
Fully paid equity shares				
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*
India Discovery Fund Limited	**11,48,255**	**8.90**	*11,48,255*	*8.90*
Total	**1,05,07,548**	**81.46**	*1,05,07,548*	*81.46*

4 The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

5 Details of shareholding of promoters

Name of the promoter	**As at 31st Mar., 2022** Number of shares held	**As at 31st Mar., 2022** % holding in the class of shares	*As at 31st Mar., 2021* Number of shares held	*As at 31st Mar., 2021* % holding in the class of shares
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*
Forbes Campbell Finance Limited	**1,66,398**	**1.29**	*1,66,398*	*1.29*
Total	**95,25,691**	**73.85**	*95,25,691*	*73.85*

16. Other equity

₹ in Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
a) General reserve		
Balance at beginning of the year	**16,188.60**	*16,188.60*
Impact of merger as per the composite scheme of arrangement (Refer note 53)*	**23,765.85**	-
Balance as at the year end	**39,954.45**	*16,188.60*
b) Capital reserve		
Balance at beginning of the year	-	-
Impact of merger as per the composite scheme of arrangement (Refer note 53)*	**619.09**	-
Capital reserve created on merger (Refer note 53)*	**(94,522.08)**	-
Balance at end of the year	**(93,902.99)**	-
c) Retained earnings		
Balance at beginning of the year	**(449.09)**	*2,687.26*
Profit for the year	**4,13,294.21**	*(3,102.83)*
Other comprehensive income	**21.59**	*(33.52)*
Deemed Dividend (Notional) (Refer note 53)	**(4,06,600.00)**	-
Impact of merger as per the composite scheme of arrangement (Refer note 53)*	**50,294.17**	-
Balance at end of the year	**56,560.88**	*(449.09)*
Total	**2,612.34**	*15,739.51*
(i) Equity shares Deemed Dividend for the year 31st March, 2022 of 3,152.28 per equity share *(Previous year: dividend of NIL)* per fully paid share had been distributed pursuant to the Composite Scheme of Arrangement approved by the Board of Directors of the Company at their Board meeting dated 8th September, 2020. This Scheme was sanctioned by the NCLT vide order dated 25th January, 2022.	**4,06,600.00**	-

*The impacts of the reserves taken over as a result of the merger as per the composite scheme of arrangement (Refer note 53), have been determined to the extent practically identifiable by the Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

17. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
(a) Term loans				
From banks				
i) **Federal Bank -** Secured by first charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [Repayable in 8 quarterly installments, after a moratorium period of 12 months. First installment was due in November 2019 and last installment was due in Feb 2022. (Includes an interim moratorium period of 6 months availed by the Company during the year on account of Covid-19 Pandemic). Rate of interest was MCLR + 0.5% spread. The loan was completely repaid during the year ended 31st March, 2022.	**-**	*-*	**-**	*3,498.65*
ii) **DCB Bank Limited Term Loan -** under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. (Refer Note 49). [- Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4th April, 2022 and last installment is due on 4th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan - Additional borrowings of ₹ 487.60 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 4th February, 2024 and last installment is due on 4th January, 2028. Rate of interest is EBLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan]	**1,248.76**	*975.00*	**213.84**	*-*
iii) **Zoroastrian Bank -** Secured by an exclusive charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [Repayable in 30 monthly installments after a moratorium period of 6 months. First installment is due in July 2019 and last installment is due in January, 2022. Rate of interest is 9.50% p.a.] The loan has been completely repaid during the year ended 31st March, 2022.	**-**	*-*	**-**	*554.96*
iv) **DCB Bank Limited Term Loan -** Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad.(Refer Note 49).				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
[Repayable as per the repayment schedule agreed with the bank from time to time. First installment is due in 31st October, 2020 and last installment is due in 30th April, 2024. Rate of interest in the range of 9.70% p.a. to 10.45% p.a.]	**1,317.91**	*2,918.10*	**1,600.00**	*1,400.00*
v) Toyota Financial Services Loan - Secured against hypothecation of Car (Refer Note 49) [Repayable as per the repayment schedule agreed with the financial institution from time to time. First installment is due in 20th September, 2021 and last installment is due in 20th August, 2026. Rate of interest is 8.26% p.a.]	**25.51**	-	**6.23**	-
vi) **Federal Bank Limited Term Loan -** under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [- Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31st January, 2022 and last installment is due in 2nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a. - Additional borrowings of ₹ 1,296.00 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 2nd April, 2024 and last installment is due on 29th March, 2028. Rate of interest is Repo rate + 5.25% spread p.a.]	**2,786.41**	*1,930.47*	**425.86**	*70.53*
vii) **Federal Bank Limited Term Loan -** under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 24th July, 2022 and last installment is due in 24th June, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**127.58**	-	**24.42**	-
viii) **Federal Bank Limited Term Loan -** under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 2nd August, 2022 and last installment is due in 2nd July, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**42.03**	-	**6.97**	-
	5,548.20	*5,823.57*	**2,277.32**	*5,524.14*
Less: Amount disclosed under “Current Borrowings”	**-**	-	**(2,277.32)**	*(5,524.14)*
Total	**5,548.20**	*5,823.57*	**-**	-

18. Other financial liabilities

18A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Security deposits	**139.50**	*154.00*
Total	**139.50**	*154.00*

18B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Interest accrued but not due on borrowings	**8.90**	*11.88*
b) Unpaid dividends **	**24.30**	*24.48*
c) Others :-		
- Payables on purchase of fixed assets	**479.50**	*86.06*
- Security deposits	**411.67**	*964.07*
- Other Payables	**2,828.96**	*68.54*
Deposits and other charges payable to society	**776.40**	-
Total	**4,529.73**	*1,155.03*

**In the previous year, the Company has transferred ₹ 0.04 Lakhs and ₹ 0.00 pertaining to unpaid dividend of 2012-13 and 2013-14 respectively to the Investor Education and Protection Fund (IEPF)/ custodians on June 2, 2021 on settlement of outstanding matters.

19. Provisions

19A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Employee benefits		
Gratuity (Refer Note 35)	**63.28**	*58.17*
Other post retirement benefits (Refer Note 35)	**207.29**	*258.22*
b) Other Provisions (Refer Note 1 below)	**265.49**	*311.50*
Total (a+b)	**536.06**	*627.89*

19B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Employee benefits		
Compensated absences	**301.62**	*306.93*
Gratuity (Refer Note 35)	**102.04**	*101.79*
Other post retirement benefits (Refer Note 35)	**33.31**	*43.48*
Total	**436.97**	*452.20*

Note : 1

Other Provisions

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Balance at the beginning of the year	**311.50**	*311.50*
Less: Utilisation / reversal during the year	**46.00**	-
Balance at the end of the year	**265.50**	*311.50*

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

20. Deferred tax balances

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

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Deferred tax assets	**2,802.37**	*1,818.97*
Deferred tax liabilities	**(629.18)**	*(704.50)*
Net	**2,173.19**	*1,114.47*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Current Year (2021-22)

₹ in Lakh

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	(650.81)	32.16	-	(618.65)
b) Right of Use Assets	(53.69)	43.16	-	(10.53)
c) Lease Liability	53.52	(47.10)	-	6.42
d) Allowances for doubtful debts and advances	329.48	(89.92)	-	239.56
e) Defined benefit obligation	40.26	1.35	-	41.61
f) Provisions and liabilities to be allowed on payment basis	96.07	(16.07)	-	80.00
g) Tax losses	477.46	(354.63)	-	122.83
h) Long Term Capital Loss	-	1,393.05	-	1,393.05
i) Profits from Real Estate Business (Refer Note 50 below)	822.18	96.72	-	918.90
Total	**1,114.47**	**1,058.72**	**-**	**2,173.19**

Previous Year (2020-21)

₹ 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	*(800.90)*	*150.09*	*-*	*(650.81)*
b) Right of Use Assets	*(103.03)*	*49.34*	*-*	*(53.69)*
c) Lease Liability	*97.79*	*(44.27)*	*-*	*53.52*
d) Allowances for doubtful debts and advances	*285.82*	*43.66*	*-*	*329.48*
e) Defined benefit obligation	*53.59*	*(24.60)*	*11.27*	*40.26*
f) Provisions and liabilities to be allowed on payment basis	*108.79*	*(12.72)*	*-*	*96.07*
g) Voluntary Retirement Scheme	*21.43*	*(21.43)*	*-*	*-*
h) Tax losses	*-*	*477.46*	*-*	*477.46*
i) Others (MAT Credit)	*551.94*	*(551.94)*	*-*	*-*
j) Profits from Real Estate Business (Refer Note 50 below)	*4,901.16*	*(4,078.98)*	*-*	*822.18*
Total	*5,116.59*	*(4013.39)*	*11.27*	*1,114.47*

Note:

During the previous year ended 31st March, 2021, the Company has decided to exercise the option prescribed in Section 115 BAA of the Income Tax Act, 1961 and to pay tax at a lower rate while computing the tax expense for the current financial year. Accordingly, deferred tax asset has been remeasured at the lower rate and deferred tax asset on MAT credit has been expensed out in the current year.

Note:

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

21. Other liabilities
Current

₹ in Lakhs

	Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a)	Advances from customers [includes ₹ 15,763.99 Lakhs; *(Previous year ₹ 10,476.20 Lakhs)* towards installments received from customers towards real estate development projects in progress] (Refer Note 50)	**16,188.52**	*10,931.22*
b)	Statutory remittances	**230.86**	*167.31*
c)	Others		
	- Payable to Employees	**824.35**	*984.53*
	- Others	**30.83**	*0.85*
	- Advance for land sale	**4,000.00**	*-*
	Total	**21,274.56**	*12,083.91*

22. Borrowings
Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Current maturities of long term borrowings	**2,277.32**	*5,524.14*
Unsecured - at amortised cost		
a) Credit card facility availed from Axis Bank (Tenure of 51 days)	**247.59**	*153.33*
Total	**2,524.91**	*5,677.47*
Secured - at amortised cost		
Loans repayable on demand		
From banks		
i) Cash credit from consortium of banks - Secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia (Refer Note 49).	**2,095.65**	*1,155.87*
ii) Overdraft facility from Axis Bank - Secured by first charge on project Vicinia receivables to the extent pertaining to Forbes & Company Limited (Refer Note 49).	**-**	*2,456.23*
Total	**4,620.56**	*9,289.57*

During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

23. Trade payables
Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Micro and small enterprises	**550.98**	*517.73*
Others (includes due to related parties as per Note 40)	**4,179.79**	*5,407.60*
Total	**4,730.77**	*5,925.33*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Ageing of Trade Payables for the year ended 31st March, 2022

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date				Total
			6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	-	525.87	25.10	0.01	-	-	**550.98**
Others	-	2,253.51	1,840.10	10.95	2.99	72.24	**4,179.79**
Disputed trade receivables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	**-**	**2,779.38**	**1,865.20**	**10.96**	**2.99**	**72.24**	**4,730.77**

Ageing of Trade Payables for the year ended 31st March, 2021

Particulars	*Unbilled*	*Not due*	*Outstanding for the following periods from the due date*				*Total*
			6 months - 1 year	*1-2 years*	*2-3 years*	*More than 3 years*	
Undisputed trade payables							
Micro enterprises and small enterprises	-	*62.45*	*453.35*	*1.93*	-	-	*517.73*
Others	-	*3,710.05*	*1,456.02*	*119.96*	*46.65*	*74.92*	*5,407.60*
Disputed trade receivables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	-	*3,772.50*	*1,909.37*	*121.89*	*46.65*	*74.92*	*5,925.33*

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	**31st Mar., 2022**	*31st Mar., 2021*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**438.22**	*438.64*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**1.28**	*1.27*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**2,698.28**	*1,432.49*
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	**32.39**	*3.62*
Further interest remaining due and payable for earlier years	**79.09**	*74.20*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

24. Income tax assets and liabilities

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
Current tax assets		
Tax refund receivable (net)	951.85	1,496.02
	951.85	1,496.02
Current tax liabilities		
Income tax payable (net)	-	76.07
	-	76.07
Net Asset	951.85	1,419.95
Movement during the year		
Balance at the beginning of the year	1,419.95	1,692.13
Add: Taxes paid (including tax deducted at source / self assessment tax)	337.38	224.01
Less: Refund received (net of taxes paid / adjusted)	(805.48)	(496.19)
Balance at the year end	951.85	1,419.95

25. Revenue from operations

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

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) **Income from real estate contracts**	1,490.58	38,652.53
b) **Sales**		
Sale of products		
i) Finished Goods	20,256.64	15,573.22
ii) Traded Good	171.85	154.76
	20,428.49	15,727.98
Sale of services		
i) Service income	119.75	63.61
	119.75	63.61
c) **Other operating revenues**		
i) Rent and amenities	1,382.56	1,648.40
ii) Export incentives	18.89	111.81
iii) Others (mainly includes scrap sales)	64.24	31.99
	1,465.69	1,792.20
Total	23,504.51	56,236.32

26. Other Income

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	57.68	19.46
ii) Inter-corporate deposit	18.83	110.84
iii) Customers and others	8.55	2.99
Total (a)	85.06	133.29
b) Other Non-Operating Income		
i) Credit balances / excess provision written back	84.85	46.31
ii) Interest on Income Tax/ Wealth Tax refund	525.21	92.78
iii) Miscellaneous income (mainly includes recoveries from group companies)	54.11	64.45
iv) Recoveries of doubtful debts	79.01	-
Total (b)	743.18	203.54
c) Other gains and losses		
i) Gain on disposal of property, plant and equipment	345.95	754.80
ii) Gain on fair value / interest of long-term investments in subsidiaries	158.37	175.29
iii) Net foreign exchange gains	13.63	-
iv) Guarantee Commission (including notional income recognised)	23.66	70.42
Total (c)	541.61	1,000.51
Total (a + b + c)	1,369.85	1,337.34

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

27. Real estate development costs

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Material and Contractual Payments	**2,168.82**	*3,748.54*
ii) Fees for technical services / design and drawings	**26.71**	*46.44*
iii) Project Management Consultancy Fees	**150.12**	*235.38*
iv) Fees-filing with Statutory Authourities	**28.91**	*88.59*
v) Interest on borrowings	**52.75**	*363.49*
vi) Operation and maintenance expenses	**84.18**	*119.94*
Total	**2,511.49**	*4,602.38*

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

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Opening stock of raw materials including packing materials	**961.61**	*891.43*
Purchases	**9,073.80**	*5,950.29*
	10,035.41	*6,841.72*
Less: Closing stock of raw materials including packing materials	**1,869.28**	*961.61*
	8,166.13	*5,880.11*

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.

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Inventories at the end of the year:	**1,388.16**	*1,002.70*
i) Finished goods	**817.19**	*590.45*
ii) Work-in-progress	**154.09**	*21.26*
iii) Stock-in-trade	**11,973.79**	*10,504.58*
iv) Real estate development work-in-progress	**14,333.23**	*12,118.99*
b) Inventories at the beginning of the year:	**1,002.70**	*1,083.26*
i) Finished goods	**590.45**	*805.96*
ii) Work-in-progress	**21.26**	*120.44*
iii) Stock-in-trade	**10,504.58**	*33,035.57*
iv) Real estate development work-in-progress	**12,118.99**	*35,045.23*
Net increase (b)-(a)	**(2,214.24)**	*22,926.24*

29. Employee benefits expense

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Salaries and Wages (Refer Note 35 II D)	**4,332.33**	*3,806.14*
ii) Contribution to provident and other funds (Refer Note 35)	**269.24**	*259.95*
iii) Staff Welfare Expenses	**278.69**	*171.63*
Total	**4,880.26**	*4,237.72*

30. Finance costs

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
(a) Interest costs :-		
i) Interest on bank overdrafts and loans	**1,120.27**	*1,316.52*
ii) Interest expenses on lease liabilities	**14.01**	*23.19*
iii) Delayed payment of taxes	**0.35**	*2.17*
iv) Other interest expense	**83.73**	*26.23*
	1,218.36	*1,368.11*
(b) Other borrowing costs	**16.28**	*7.61*
Total	**1,234.64**	*1,375.72*

31. Depreciation and amortisation expense

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
i) Depreciation on property, plant and equipment (Refer Note 5)	**1,153.24**	*1,238.73*
ii) Depreciation of investment properties (Refer Note 6)	**63.02**	*64.61*
iii) Depreciation Right-of-use assets (Refer Note 45)	**26.05**	*53.55*
iv) Amortisation of intangible assets (Refer Note 7)	**65.48**	*72.20*
Less: Transfered to Real Estate work-in-progress	**-**	*-*
Total	**1,307.79**	*1,429.09*

32. A. Other expenses

₹ in Lakhs

Particulars		Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Consumption of stores and spare parts		**706.70**	*467.68*
Processing charges		**1,216.26**	*923.08*
Power and fuel		**514.44**	*439.72*
Service charges		**409.53**	*325.42*
Rent and hire charges		**16.85**	*20.97*
Repairs and maintenance to :			
i) Buildings	624.26		*45.51*
ii) Plant and machinery	367.36		*140.18*
iii) Others	242.63		*195.70*
		1,234.25	*381.39*
Insurance		**56.43**	*56.57*
Rates and taxes		**156.45**	*143.87*
Selling expenses, commission and brokerage		**264.11**	*305.34*
Freight and outward charges		**317.86**	*330.86*
Advertisement and sales promotion		**133.64**	*150.27*
Printing and Stationery		**31.38**	*27.03*
Communication		**68.73**	*58.71*
Legal and professional charges		**544.23**	*348.38*
Travelling and conveyance		**182.99**	*109.25*
Trade receivables written off	241.35		*22.26*
Less: Provision held	240.35		*22.26*
		1.00	*-*
Advances written off		**26.25**	*3.94*
Provision for doubtful trade receivables		**-**	*12.43*
Provision for doubtful loans and advances		**2.34**	*9.95*
Loss on sale of property, plant and equipment (net)		**0.16**	*-*
Corporate social responsibility expenditure (Refer Note 2 below)		**24.94**	*18.84*
Net loss on Foreign currency transactions and translations		**(0.00)**	*11.25*
Security Expenses		**211.43**	*205.63*
Miscellaneous expenses		**354.49**	*249.74*
Auditors remuneration			
To Statutory Auditors			
i) For audit	88.61		*82.15*
ii) For reimbursement of expenses	3.49		*3.22*
		92.10	*85.37*
To cost auditors		**4.00**	*4.25*
		96.10	*89.62*
Total		**6,570.56**	*4,689.94*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Note 1: Included in other expenses are the below:

Direct operating expenses arising from investment property that generated rental income during the year	**407.24**	*129.90*
Direct operating expenses arising from investment property that did not generate rental income during the year	**18.56**	*9.31*
Total	**425.80**	*139.21*

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.	**24.94**	*18.84*
Amount spent during the year:		
(i) Constructions/ Acquisition of an asset	**-**	*0.83*
(ii) For the purposes other than (i) above	**-**	*-*
Total	**-**	*0.83*
Agreements entered for construction / acquisition of assets	**-**	*-*
Contribution for activities promoting educational facilities	**-**	*0.83*
Accrual towards unspent obligations in relation to other than ongoing projects	**24.94**	*18.01*

Year	Balance as at 1st April, 2021		Amount required to be spent during the year	Amount Spent during the year		Balance as at 31st March, 2022	
	With the Company	In Separate CSR unspent account		From the Company's Bank Account	From Separate CSR unspent account	With the Company	In Separate CSR unspent account
2022	-	18.01	24.94	-	18.01	24.94	-
2021	-	-	18.84	0.83	-	* 18.01	-

* ₹ 17.00 Lakhs has been transferred to a separate CSR unspent account on 28th April, 2021 and ₹ 1.01 Lakhs has been transferred on 10th May, 2021.

B. Exceptional items

	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Provision for disputed matters (Refer Note 44)	**(230.19)**	-
Impairment of investments, loans (including interest accrued thereon) and other receivables in a subsidiary / provision for Guarantees given to a subsidiary (Forbes Technosys Limited) (Refer Note 52)	**(7,517.23)**	*(11,437.85)*
Impairment of investments in a subsidiary / associate (Shapoorji Pallonji Forbrs Shipping Limited) (Refer Note 54)	**(3,305.13)**	-
Notional income on early redemption of debentures (Forbes Campbell Finance Limited) (Refer Note 57)	**1,203.49**	-
Impairment of loans, financial assets and receivables in a subsidiary (Lux Group) (Refer Note 58)	**(32,935.67)**	-
Notional gain on distribution of demerged undertaking to owners (Refer Note 53)	**4,52,875.74**	-
	4,10,091.01	*(11,437.85)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

33. Income taxes

33.1 Income tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
For Continuing operations		
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
In respect of the current year	**(1,058.72)**	*4,013.39*
	(1,058.72)	*4,013.39*
Total income tax expense recognised in the current year relating to continuing Operations	**(1,058.72)**	*4,013.39*
	(1,058.72)	*4,013.39*

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

Profit before tax from total operations	**4,12,235.49**	*910.56*
Income tax expense calculated at 25.17% (2020-21: 25.17%)	**1,03,759.67**	*229.19*
Effect of expense that is non deductible in determining taxable profit	**(1,14,291.71)**	*2,806.75*
Effect of tax incentives and concession	**(49.17)**	*(66.57)*
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	**(39.86)**	*(49.92)*
Effect of income that is exempt from taxation	**10,179.49**	-
Effect on deferred tax assets due to change in tax rates	-	*619.18*
Impact of Capital Loss	**(561.15)**	-
MAT credit written off	-	*551.91*
Others	**(55.99)**	*(77.15)*
Income tax expense recognised in the Statement of Profit and Loss	**(1,058.72)**	*4,013.39*

33.2 Income tax recognised in other comprehensive income

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Others		
Deferred tax		
Re-measurement of defined benefit obligation	-	*(11.27)*
Total income tax expense recognised in other comprehensive income	-	*(11.27)*

34. Earnings per share

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Profit for the year (After exceptional items) (₹ in Lakhs) (A)	**4,13,294.21**	*(3,102.83)*
Profit for the year (Before exceptional items) (₹ in Lakhs) (D)	**3,203.20**	*8,335.02*
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (Quantity in Lakhs) (B)	**128.99**	*128.99*
Basic/ Diluted Earnings per equity share (After exceptional items) C=(A/B) (₹)	**3,203.83**	*(24.05)*
Basic/ Diluted Earnings per equity share (Before exceptional items) C=(D/B) (₹)	**24.83**	*64.62*

35. Employee Benefits :

Brief description of the Plans:

The Company has various schemes for long term employees benefits such as Provident Fund, Gratuity, Superannuation, Employees State Insurance Fund (ESIC) and Employees' Pension Scheme, Compensated absences and Post Retirement Medical and Non Compete fees. The Company's defined contribution plans are Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Provident Fund, Gratuity, Post Retirement Medical and Non Compete fees.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Gratuity

The Company provides for gratuity payable to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 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 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.

Provident Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the 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 provident fund trust 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 provident fund obligations match the benefit payments as they fall due.

Post retirement medical and non-compete fees

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

I. Charge to the Statement of Profit and Loss based on contributions:

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Employer's contribution to Regional Provident Fund Office	**62.19**	*58.31*
Employer's contribution to Superannuation Fund	**52.19**	*57.75*
Employer's contribution to Employees' State Insurance Corportion and other funds	**38.18**	*19.73*

Included in Contribution to Provident and Other Funds (Refer Note 29)

II. Disclosures for defined benefit plans based on actuarial valuation reports :-

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Present Value of Defined Benefit Obligation as at beginning of the year	**740.65**	*779.08*	**301.70**	*304.67*
Interest Cost	**45.00**	*48.18*	**19.02**	*19.60*
Current Service Cost	**18.62**	*30.47*	**-**	*-*
Benefits Paid	**(81.77)**	*(134.30)*	**(38.44)**	*(45.32)*
Remeasurement of defined benefit obligation	**22.63**	*17.22*	**(41.68)**	*22.75*
Present Value of Defined Benefit Obligation as at the end of the year	**745.13**	*740.65*	**240.60**	*301.70*

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 31st Mar., 2022	*Year ended 31st Mar., 2021*	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Fair Value of Plan Assets as at beginning of the year	**580.69**	*595.05*	-	-
Interest Income	**36.35**	*38.26*	-	-
Contributions from employer	**42.00**	*86.50*	-	-
Benefits Paid	**(81.77)**	*(134.30)*	-	-
Return on Plan Assets, excluding Interest Income	**2.54**	*(4.82)*	-	-
Fair Value of Plan Assets as at the end of the year	**579.81**	*580.69*	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*	**Year ended 31st Mar., 2022**	*Year ended 31st Mar., 2021*
Present Value of Defined Benefit Obligation as at the end of the year	**745.13**	*740.65*	**240.60**	*301.70*
Fair Value of Plan Assets as at end of the year	**579.81**	*580.69*	**-**	-
Net Liability recognised in the Balance Sheet (Refer Note 19A and 19B)	**165.32**	*159.96*	**240.60**	*301.70*
Recognised under:				
Non - current provision (Refer Note 19A)	**63.28**	*58.17*	**207.29**	*258.22*
Current provision (Refer Note 19B)	**102.04**	*101.79*	**33.31**	*43.48*

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., 2022	*Year ended 31st Mar., 2021*	**Year ended 31st Mar., 2022**	*Year ended 31st Mar., 2021*
Current Service Cost	**18.62**	*30.47*	**-**	-
Net interest	**8.65**	*9.92*	**19.02**	*19.60*
Total Expenses recognised in the Statement of Profit and Loss	**27.27**	*40.39*	**19.02**	*19.60*

* 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)	
	31st Mar., 2022	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in financial assumptions	**(11.53)**	*30.80*	**(4.04)**	*12.91*
Actuarial (Gains)/Losses on Obligation for the Year - Due to experience adjustment	**34.34**	*(13.58)*	**(37.64)**	*20.85*
Return on Plan Assets, excluding Interest Income	**(2.54)**	*4.82*	**-**	-
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in demographic assumptions	**(0.18)**	-	**-**	*(11.01)*
Net (Income)/Expense For the year Recognized in OCI	**20.09**	*22.04*	**(41.68)**	*22.75*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Discount Rate (per annum)	**6.70%**	*6.26%*	**7.33% & 6.84%**	*6.26% & 6.90%*
Salary escalation rate	**4.50%**	*4.50%*	**0.00%**	*0.00%*
Rate of employee turnover	**11.89%**	*11.89%*	**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., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Opening Net Liability	**159.96**	*184.03*	**301.70**	*304.67*
Expenses Recognized in Statement of Profit or Loss	**27.27**	*40.39*	**19.02**	*19.60*
Expenses Recognized in OCI	**20.09**	*22.04*	**(41.68)**	*22.75*
Benefit Paid Directly by the Employer	**-**	*-*	**(38.44)**	*(45.32)*
Employer's Contribution	**(42.00)**	*(86.50)*	**-**	*-*
Net Liability Recognized in the Balance Sheet	**165.32**	*159.96*	**240.60**	*301.70*

H. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Government of India Assets (Central and State)		
Insurance fund	579.81	*580.69*
Total	**579.81**	*580.69*

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., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Number of Active Members	**562**	*391*	**-**	*-*
Per Month Salary for Active Members (₹ in Lakhs)	**98.70**	*79.99*	**-**	*-*
Weighted Average Duration of the Projected Benefit Obligation	**5**	*5*	**-**	*-*
Average Expected Future Service (Years)	**6**	*6*	**-**	*-*
Projected Benefit Obligation (PBO) (₹ in Lakhs)	**745.13**	*740.65*	**240.60**	*301.70*
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	**98.70**	*79.99*	**-**	*-*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

J. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	**Estimated for the Year ended 31st Mar., 2022**	*Estimated for the Year ended 31st Mar., 2021*	**Estimated for the Year ended 31st Mar., 2022**	*Estimated for the Year ended 31st Mar., 2021*
	Gratuity		**Other Post Employment Benefits**	
1st Following Year	**140.43**	*115.98*	**33.31**	*43.48*
2nd Following Year	**122.16**	*94.34*	**33.31**	*43.48*
3rd Following Year	**144.45**	*134.25*	**33.31**	*43.48*
4th Following Year	**90.86**	*123.63*	**33.31**	*43.48*
5th Following Year	**92.60**	*74.20*	**33.31**	*43.48*
Sum of Years 6 To 10	**231.18**	*245.01*	**166.57**	*217.38*
Sum of Years 11 and above	**162.15**	*163.73*	**-**	*-*

K. Sensitivity Analysis

₹ in Lakhs

	As at 31st Mar., 2022	*As at 31st Mar., 2021*
	Gratuity	
Impact of +1% Change in Rate of Discounting	**(24.65)**	*(25.92)*
Impact of -1% Change in Rate of Discounting	**26.87**	*28.27*
Impact of +1% Change in Rate of Salary Increase	**25.56**	*28.48*
Impact of -1% Change in Rate of Salary Increase	**(24.44)**	*26.58*
Impact of +1% Change in Rate of Employee Turnover	**2.39**	*1.78*
Impact of -1% Change in Rate of Employee Turnover	**(2.65)**	*(1.99)*

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

L. Provident Fund

The Company has established 'Forbes & Company Ltd. Employees Provident Fund' in respect of all the employees to which both the employee and employer make contribution equal to 12% of the employees' basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	**Year ended 31st Mar., 2022**	*Year ended 31st Mar., 2021*
Company's contribution to the provident fund	**89.41**	*83.77*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Approach used	**Deterministic**	*Deterministic*
Increase in compensation levels	**4.50%**	*4.50%*
Discount Rate	**6.70%**	*6.26%*
Attrition Rate	**11.89%**	*11.89%*
Reinvestment Period on Maturity	**5 years**	*5 years*
Expected Guaranteed Interest Rate	**8.10%**	*8.50%*
Average Expected Future Service	**6 years**	*6 years*
Average Term to Maturity	**4 years**	*4.41 years*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Plan assets as year end, at fair value	**3,589.90**	*3,547.49*
Present value of benefit obligation at year end	**3,374.11**	*3,327.05*

M. The liability for Compensated absences (Non – Funded) as at year end is ₹ 301.62 Lakhs *(Previous year ₹ 306.93 Lakhs)* (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ 244.33 Lakhs *(Previous year ₹ 249.68 Lakhs)*.

36. Financial Instruments

36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 17, 18B and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

₹ in Lakhs

	31st Mar., 2022	31st Mar., 2021
Total Equity	**3,902.20**	*17,029.37*
Short Term Borrowings	**2,343.24**	*3,765.43*
Long Term Borrowings	**5,548.20**	*5,823.57*
Current Maturities of Long Term Borrowings	**2,277.32**	*5,524.14*
Lease Liabilities	**26.18**	*213.32*
Total Debt	**10,194.94**	*15,326.46*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

	31st Mar., 2022	*31st Mar., 2021*
		₹ in Lakhs
Cash and Cash equivalents	**611.08**	*2,170.53*
Bank balances other than above	**289.21**	*259.52*
Balance held as margin money with banks with remaining maturity period of more than 12 months	**1.98**	*2.27*
Net Debt	**9,292.68**	*12,894.14*
Debt Equity ratio	**2.61**	*0.90*
Debt Equity Ratio = Total Debt / Total Equity		

36.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios	Numerator	Denominator	31st Mar., 2022	*31st Mar., 2021*	Variation (%)	Reason for variance
Current Ratio	Current assets	Current liabilities	**0.75**	*0.72*	4%	No major variation
Debt-Equity Ratio	Total debt	Total equity	**261%**	*90%*	171%	Earnings has reduced significantly on account of exceptional items (Refer Note 53)
Debt Service Coverage Ratio	Earning for debt	Debt service	**61.12**	*-0.07*	-88271%	Earnings has reduced significantly on account of exceptional items (Refer Note 53)
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	**3949%**	*-17%*	3966%	Major variation in profit after tax on account of merger-demerger in the current year
Inventory turnover ratio	COGS	Average inventory	**2.14**	*2.14*	0%	No major variation
Trade Receivables turnover ratio	Credit sales	Average trade receivable	**7.13**	*18.87*	-62%	Major variance in income from real estate contracts due to revenue recongition in the previous year as per Ind AS 115. (Refer Note 50)
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	**1.84**	*1.15*	59%	During the current year, purchases were higher to maintain the minimum inventory level while trade payable has not changed significantly.
Net capital turnover ratio	Credit sales	working capital	**-2.65**	*-7.02*	-62%	Major variance in income from real estate contracts due to revenue recongition in the previous year as per Ind AS 115. (Refer Note 50)
Net profit ratio	Net profit after tax	Revenue from operations	**1758%**	*-6%*	1764%	Major variance in income from real estate contracts due to revenue recongition in the previous year as per Ind AS 115. (Refer Note 50)
Return on Capital employed	Earnings before interest and tax	capital employed	**24%**	*43%*	-19%	No major variation
Return on investment**	Earnings before interest and tax	Closing total assets	**7%**	*26%*	-19%	No major variation

36.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 36.6) and interest rates (Refer Note 36.7). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

36.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Investments in subsidiaries, associates and joint ventures
The Company had invested in various subsidiaries, associates and joint ventures. The approved future business plans and cash flow projections of these entities are evaluated by the management of the Company on an ongoing basis and based on this evaluation the recoverability of the investments is considered to be good. (Also refer Note 8)

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 ₹ 2,784.10 Lakhs as at 31st March, 2022 *(Previous year as at 31st March, 2021 is ₹ 8,974.46 Lakhs)*. Further the Company has also received a letter of support from the ultimate holding company Shapoorji Pallonji and Company Private Limited for the guarantee given to FTL amounting to ₹ 8,488.72 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., 2022	*31st Mar., 2021*
- Expiring within one year	737.43	*3,084.57*

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	**31st Mar., 2022**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings (includes interest)	5,236.06	4,008.08	1,985.17	478.90
Trade Payables	4,730.77	-	-	-
Other Financial Liabilities	4,520.83	139.50	-	-
Lease liability	8.93	9.17	3.49	16.87
	14,496.59	**4,156.75**	**1,988.66**	**495.77**

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	*31st Mar., 2021*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Borrowings (includes interest)	*10,115.23*	*5,883.37*	*788.28*	*-*
Trade Payables	*5,925.33*	*-*	*-*	*-*
Other Financial Liabilities	*1,143.15*	*154.00*	*-*	*-*
Lease liability	*37.11*	*81.03*	*73.64*	*113.50*
	17,220.82	*6,118.40*	*861.92*	*113.50*

36.6 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Particulars of unhedged foreign currency exposures as at the reporting date

	As at 31st Mar., 2022						*As at 31st Mar., 2021*			
	Advances from customers		**Loans and advances to related party**		**Trade receivables**		*Advances from customers*		*Trade receivables*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.35**	**26.83**	**-**	**-**	**6.35**	**480.06**	*0.37*	*27.19*	*5.74*	*420.97*
GBP	**-**	**-**	**-**	**-**	**0.61**	**60.73**	*-*	*-*	*0.25*	*25.08*
CHF	**-**	**-**	**564.68**	**46,220.38**	**-**	**-**		*-*	*-*	*-*
EUR	**0.00**	**0.23**	**4.32**	**362.94**	**36.07**	**3,030.39**	*0.73*	*62.76*	*-*	*-*

Currencies	**As at 31st Mar., 2022**				*As at 31st Mar., 2021*			
	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	**0.31**	**23.73**	**3.71**	**280.50**	*0.12*	*8.93*	*4.90*	*359.13*
EUR	**0.02**	**2.01**	**4.15**	**348.88**	*0.11*	*9.51*	*2.36*	*202.71*
CHF	**-**	**-**	**-**	**-**	*-*	*-*	*0.02*	*1.49*
AUD	**-**	**-**	**2.04**	**115.59**	*-*	*-*	*-*	*-*
AED	**-**	**-**	**0.29**	**6.03**	*-*	*-*	*0.26*	*5.20*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Currencies	**As at 31st Mar., 2022**		*As at 31st Mar., 2021*	
	Current Account Balances		*Current Account Balances*	
	FC in Lakhs	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.81**	**60.95**	*1.88*	*137.52*
EUR	**0.01**	**0.70**	*0.05*	*4.31*

Of the above, the Company is mainly exposed to USD, and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

(b) Sensitivity

As at 31st Mar., 2022 ₹ 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%	7.47	4.06	3.78	12.89
USD	Decrease by 5%	7.47	4.06	(3.78)	(12.89)
GBP	Increase by 5%	0.61	-	4.96	3.03
GBP	Decrease by 5%	0.61	-	(4.96)	(3.03)
AUD	Increase by 5%	-	2.04	2.83	(5.78)
AUD	Decrease by 5%	-	2.04	(2.83)	5.78
AED	Increase by 5%	-	0.29	1.03	(0.30)
AED	Decrease by 5%	-	0.29	(1.03)	0.30
EUR	Increase by 5%	40.42	4.15	4.20	152.33
EUR	Decrease by 5%	40.42	4.15	(4.20)	(152.33)
CHF	Increase by 5%	564.68	-	4.09	2,309.54
CHF	Decrease by 5%	564.68	-	(4.09)	(2,309.54)

As at 31st Mar., 2021 *₹ 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%*	*7.74*	*5.27*	*3.66*	*9.04*
USD	*Decrease by 5%*	*7.74*	*5.27*	*(3.66)*	*(9.04)*
GBP	*Increase by 5%*	*0.25*	-	*5.05*	*1.26*
GBP	*Decrease by 5%*	*0.25*	-	*(5.05)*	*(1.26)*
EUR	*Increase by 5%*	*0.16*	*3.09*	*4.30*	*(12.60)*
EUR	*Decrease by 5%*	*0.16*	*3.09*	*(4.30)*	*12.60*

36.7 Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(a) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	**As at 31st Mar., 2022**			*As at 31st Mar., 2021*		
	Weighted average interest rates	**% of total loans**	**Total Borrowings**	*Weighted average interest rates*	*% of total loans*	*Total Borrowings*
Term Loans from Banks	**9.43%**	**77%**	**7,825.52**	*9.70%*	*75%*	*11,347.71*
Cash Credit Facilities	**12.27%**	**21%**	**2,095.65**	*10.26%*	*8%*	*1,155.87*
Overdraft Facilities	**0.00%**	**0%**	**-**	*9.01%*	*16%*	*2,456.23*
Credit card Facilities	**9.45%**	**2%**	**247.59**	-	*1%*	*153.32*
Total			**10,168.76**			*15,113.13*

(b) Sensitivity

The sensitivity of profit / (loss) to changes in interest rates / Exchange rates:

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Rates increase by 100 basis points*	**99.21**	*144.05*
Rates decrease by 100 basis points*	**(99.21)**	*(144.05)*

* Holding all other variables constant.

36.8 Fair Value Disclosures

a) Categories of Financial Instruments:

₹ in Lakhs

	31st Mar., 2022			*31st Mar., 2021*		
	FVTPL	**FVTOCI**	**Amortised Cost**	*FVTPL*	*FVTOCI*	*Amortised Cost*
Financial Assets						
Investments *	**0.18**	-	-	*496.81*	-	*1,138.24*
Loans	-	-	**0.83**	-	-	*1.52*
Cash and Bank Balances	-	-	**900.29**	-	-	*2,430.05*
Trade Receivables	-	-	**3,144.30**	-	-	*3,452.11*
Other Financial Assets	-	-	**243.13**	-	-	*1,085.49*
	0.18	-	**4,288.55**	*496.81*	-	*8,107.41*
Financial liabilities						
Borrowings	-	-	**10,168.76**	-	-	*15,113.14*
Trade Payables	-	-	**4,730.77**	-	-	*5,925.33*
Other Financial Liabilities	-	-	**4,669.23**	-	-	*1,309.03*
Lease liability	-	-	**26.18**	-	-	*213.32*
	-	-	**19,594.94**	-	-	*22,560.82*

* Excludes investments in equity instruments of ₹ 3,660.74 Lakhs *(Previous year ₹ 15,055.06 Lakhs)* carried at cost less impairment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - 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., 2022 Carrying Value	Level 1	Level 2	Level 3	Total
Measured at FVTPL					
Investments					
Investments in Equity Instruments	0.18	-	-	0.18	0.18

₹ in Lakhs

Financial Assets	*31st Mar., 2021 Carrying Value*	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL					
Investments					
Investments in Equity Instruments	*0.68*	-	-	*0.68*	*0.68*
Investments in debentures	*496.13*	-	-	*496.13*	*496.13*

There are no transfers between level 1, level 2 and level 3 during the year.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31st March, 2022 and 31st March, 2021.

₹ in Lakhs

	Equity Instruments	Optionally Convertible Debentures	Total
As at 31st Mar., 2021	**0.68**	**496.13**	**496.81**
Fair value Gains / Losses recognised in profit or loss	(0.50)	-	(0.50)
Issue / (Redemption) during the year	-	(496.13)	(496.13)
As at 31st Mar., 2022	**0.18**	**-**	**0.18**

₹ in Lakhs

	Equity Instruments	*Optionally Convertible Debentures*	*Total*
As at 31st Mar., 2020	*0.68*	*444.51*	*445.19*
Fair value Gains / Losses recognised in profit or loss	-	*51.62*	*51.62*
As at 31st Mar., 2021	*0.68*	*496.13*	*496.81*

d) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

f) Valuation inputs and relationships to fair value

Particulars	Fair values as at (₹ in Lakhs)		Unobservable inputs	Probability - weighted range		Sensitivity
	31st Mar., 2022	*31st Mar., 2021*		**31st Mar., 2022**	*31st Mar., 2021*	
Optionally convertible debentures	-	*496.13*	Risk adjusted discount rate	**10.5%-12%**	*10.5%-12%*	**2021:** Higher discount rate by 100 bps would decrease the FV by ₹46.04 Lakhs and lower discount rate by 100 bps would increase the FV by ₹51.34 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 ₹ 1,385.06 Lakhs (Previous year ₹ 1,648.40 Lakhs) has been disclosed as "Rent and amenities" under Revenue from operations in Note 25 to the Statement of Profit and Loss.

37.1 (ii) Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Not later than 1 year	**616.23**	*523.81*
Later than 1 year and not later than 5 years	**323.47**	*400.86*
Total	**939.70**	*924.67*

38. Commitments

₹ in Lakhs

a)

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹ 33.11 Lakhs; *(Previous year ₹112.89 Lakhs)*	**147.60**	*578.13*
Total	**147.60**	*578.13*

b) Other Commitments

The Company has outstanding bank guarantees of ₹ 115.93 Lakhs *(Previous Year ₹ 120.04 Lakhs)*.

The Company has outstanding performance guarantees of ₹ 222.86 Lakhs *(Previous Year ₹ 133.72 Lakhs)*.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

39. Contingencies and other commitments

(To the extent not provided for)

₹ in Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
(a) Claims against the Company not acknowledged as debts		
1 Taxes in dispute:-		
i) Excise demand [Advance paid against the demand Nil; *(Previous year Nil)]*	**2,724.52**	*2,724.52*
ii) Sales tax [Advance paid against the demand ₹ 55.06 Lakhs; *(Previous year ₹ 42.85 Lakhs)]*	**498.44**	*474.35*
iii) Income-tax [Advance paid against the demand ₹ 83.70 Lakhs; *(Previous year ₹ 253.67 Lakhs)*]	**4,333.81**	*4,492.94*
iv) Service-tax (Advance paid ₹ 92.25 Lakhs) *(Previous year ₹ 92.25 Lakhs)*	**3,424.49**	*3,424.49*
v) Customs duty [Advance paid ₹ Nil; *(Previous year ₹ Nil)]*	**101.00**	*101.00*
vi) Wealth tax [Advance paid ₹ Nil; *(Previous year ₹ 49.94 Lakhs)]*	**-**	*409.86*
2 Labour matters in dispute	**11.07**	*11.07*
3 Customer claims	**3,107.97**	*3,107.97*
4 Other legal matters	**232.21**	*445.40*
(b) Other commitments :-		
i) Guarantee on behalf of related parties (Secured by exclusive charge on certain investment properties) *	**2,784.00**	*8,974.46*

Note:

1. In respect of the above mentioned items, till the matters are finally decided, the timings of outflow of economic benefits cannot be ascertained.

* Excludes guarantees of ₹ 6,190.61 Lakhs *(Previous Year ₹ 4,473.28 Lakhs)* which were taken against loans that have been repaid during the year.

2. The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

40. Related Party Disclosures

(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 (Refer note 53)*
	Forbes Campbell Finance Limited
	Shapoorji Pallonji Forbes Shipping Limited (upto 28th February, 2022)*
	Forbes Technosys Limited *
	Campbell Properties & Hospitality Services Limited
	Volkart Fleming Shipping and Services Limited
	Forbes Lux International AG (Refer note 53)
	EFL Mauritius Limited (Refer note 53)*
	Forbes Facility Services Private Limited (Refer note 53)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Nature of Relationship		Name of Entity
B	Subsidiaries - Indirect	Aquaignis Technologies Private Limited (Refer note 53)
		Forbes Aquatech Limited (Subsidiary w.e.f. 28th August, 2020, Refer Note 53)
		Infinite Water Solutions Private Limited (subsidiary w.e.f. 31st March, 2021, Refer Note 53)
		Forbes Lux International AG (Refer note 53)
		Lux International AG
		Lux del Paraguay S.A.
		Lux Welity Polska sp.zo.o.
		Lux Italia srl (ceased to be subsidiary from 1st January 2021)
		Lux Norge A/S (ceased to be subsidiary from 1st January 2021)
		Lux Schweiz AG
		Lux International Services and Logistics GmbH (Formerly Lux Service GmbH)
		Lux Oesterreich GmbH
		Lux Hungaria Kereskedelmi Kft
		LIAG Trading & Investment Limited (upto 30th March, 2021)
		Lux Professional SA (formerly Lux Aqua Paraguay SA)
		EFL Mauritius Limited (Refer note 53)
		Euro Forbes Limited, Dubai (Refer note 53)
		Forbes Lux FZCO (Refer note 53)
		Forbes Facility Services Private Limited (Refer note 53)
		Forbes Enviro Solutions Limited (Refer note 53)
		Euro Forbes Financial Services Limited (Refer note 53)
		Forbes Campbell Services Limited
		Forbes Edumetry Limited (Under liquidation)
		Lux (Deutschland) GmbH (ceased to be subsidiary from 8th May, 2020)
C	Fellow Subsidiaries (where there are transactions)	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
		Shapoorji Pallonji Infrastructure Capital Company Limited
		Paikar Real Estates Private Limited
D	Associates - Direct	Nuevo Consultancy Service Limited
		Shapoorji Pallonji Forbes Shipping Limited (w.e.f 1st March, 2022)
D	Associates - Indirect	Dhan Gaming Solutions (India) Private Limited
		Euro P2P Direct (Thailand) Company Limited (Refer note 53)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

	Nature of Relationship	Name of Entity	
E	Joint Ventures - Direct	Forbes Concept Hospitality Services Private Limited (Refer note 53)	
E	Joint Ventures - Indirect	Forbes Bumi Armada Limited	
		Forbes Aquatech Limited (Upto 28th August, 2020)	
		Forbes Concept Hospitality Services Private Limited (Refer note 53)	
		AMC Cookware Proprietary Limited (upto 30th November, 2021)	
		Infinite Water Solutions Private Limited (Upto 31st March, 2021)	
E	Joint Ventures of Holding Company/ Fellow Subsidiary	HPCL Shapoorji Energy Private Limited (upto 30th March, 2021)	
F	Key Management Personnel ("KMP")	M.C. Tahilyani	Managing Director
		Non Executive Directors	
		Shapoor P.Mistry	Chairman
		Jai L. Mavani	Non-Executive Director
		D. Sivanandhan	Independent Director
		Rani Jadhav	Independent Director
		Nikhil Bhatia	Independent Director
G	Post employment benefit plan	Forbes & Company Limited Employees Provident Fund	
H	Companies forming a part of the composite scheme of arrangement (Refer Note 53) (where there are transactions/ balances)	Eureka Forbes Limited (Refer note 53)*	

*The Company has provided letter of support to these subsidiaries and would finance them as and when required after obtaining board approval

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

40. Related party disclosures (Contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in G above	Parties in H above	Total
	Balances							
1	Trade Payables and Capital Creditors	564.35	13.73	4.57	371.47	-	-	**954.12**
2	Interest accrued on investment / loan	-	7,162.62	-	-	-	-	**7,162.62**
3	Trade Receivables	1.95	3,131.56	2.04	-	-	-	**3,135.55**
4	Advance for Supply of Goods and Services and Prepaid Exps.	29.01	13,239.59	-	-	-	-	**13,268.60**
5	Contractually reimbursable expenses (Gross)	-	241.29	8.03	-	-	65.15	**314.47**
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	53,335.14	-	-	-	-	**53,335.14**
7	Deposits Payable	-	30.01	49.25	-	-	-	**79.26**
8	Deposits Receivable	-	29,573.94	-	-	-	-	**29,573.94**
9	Guarantees Given	-	2,784.00	-	-	-	-	**2,784.00**
	Transactions							
	Purchases / Services							
10	Real estate development expenses	2,440.40	-	-	516.27	-	-	**2,956.67**
11	Fixed Assets/ Goods & Materials	-	3.67	-	-	-	-	**3.67**
	Sales / Services							
12	Income from real estate contracts	-	-	-	-	-	-	**-**
	Expenses							
13	Rent	-	7.20	-	-	-	-	**7.20**
14	Travelling and conveyance expenses	-	4.92	33.12	-	-	-	**38.04**
15	Legal and professional charges	106.33	-	-	-	-	-	**106.33**
16	Repairs and Maintenance	90.55	0.08	5.12	-	-	-	**95.75**
17	Selling expenses, commission and brokerage	-	-	-	96.40	-	-	**96.40**
18	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	43,758.03	-	-	-	-	**43,758.03**
19	Remuneration	-	-	-	-	371.12	-	**371.12**
20	Miscellaneous expenses and security expenses	-	54.37	-	-	-	-	**54.37**
	Income							
21	Rent and amenities	3.74	25.65	117.07	-	-	-	**146.46**
22	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	177.21	-	-	-	-	**177.21**
23	Guarantee Commission	-	23.66	-	-	-	-	**23.66**
24	Miscellaneous Income	-	11.40	0.00	-	-	-	**11.40**
	Other Receipts / Payments							
25	Other Reimbursements (Receipt)	-	68.52	88.02	-	-	-	**156.54**
26	Other Reimbursements (Payment)	-	1.29	1.20	139.84	-	-	**142.33**
	Finance							
27	Deposit Given	-	4,748.23	-	-	-	-	**4,748.23**
28	Repayment of Deposits Given	-	15.00	-	-	-	-	**15.00**
29	Purchase / Subscriptions to Investments	-	4,800.00	-	-	-	-	**4,800.00**
30	Redemption of Investment	-	1,726.75	-	-	-	-	**1,726.75**
31	Real estate advances received from customers	-	-	166.31	-	-	-	**166.31**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

d) Parties in B above includes EFL Mauritius Ltd., Forbes Lux International AG and Lux International AG for Transactions related to Merger/ Demerger of EFL.

40. Related party disclosures (Contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Ltd.	**Eureka Forbes Ltd.**	**EFL Mauritius Ltd. @**	**Forbes Facility Services Private Ltd.**	**Forbes Lux International AG @**	**Lux International AG @**	**Forbes Campbell Finance Ltd.**	**Forbes Campbell Services Ltd.**	**Forbes Technosys Ltd.**	**Shapoorji Pallonji Forbes Shipping Limited**	**Campbell Properties & Hospitality Services Ltd.**	**Volkart Fleming Shipping & Services Ltd.**
	Balances												
1	Trade Payables and Capital Creditors	564.35	-	-	***	-	-	***	***	-	-	***	-
2	Interest accrued on investment / loan	-	-	-	-	7,035.84	-	-	-	***	-	-	-
3	Trade Receivables	***	-	-	-	-	3,030.39	-	-	***	-	-	***
4	Advance for Supply of Goods and Services and Prepaid Exps.	***	-	***	-	12,876.34	-	-	-	-	-	-	-
5	Contratually reimbursable expenses	-	-	-	-	-	-	-	-	241.01	-	-	***
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	46,220.38	-	-	-	-	-	-	-
7	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-
8	Deposits Receivable	-	-	-	-	26,308.21	-	-	-	3,265.73	-	-	-
9	Guarantees Given	-	-	-	-	-	-	-	-	2,784.00	-	-	-
	Transactions												
	Purchases / Services												
10	Real estate development expenses	2,440.40	-	-	-	-	-	-	-	-	-	-	-
11	Fixed Assets/ Goods & Materials	-	3.67	-	-	-	-	-	-	-	-	-	-
	Sales / Services												
12	Income from real estate contracts	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses												
13	Rent	-	-	-	-	-	-	7.20	-	-	-	-	-
14	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	4.92	-
15	Legal and professional charges	106.33	-	-	-	-	-	-	-	-	-	-	-
16	Repairs and Maintenance	**90.55**	***	-	-	-	-	-	-	-	-	-	-
17	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-
18	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	***	-	30,207.48	***	-	-	7,517.23	***	-	-
19	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
20	Miscellaneous expenses and security expenses	-	-	-	26.21	-	-	-	27.78	***	-	-	-
	Income												
21	Rent and amenities	***	-	-	-	-	-	-	-	***	19.65	-	-
22	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	27.97	-	18.83	130.40	-	-
23	Guarantee Commission	-	-	-	-	-	-	-	-	21.11	2.55	-	-
24	Miscellaneous Income	-	***	-	-	-	-	***	***	6.00	5.40	-	***
	Other Receipts / Payments												
25	Other Reimbursements (Receipt)	-	60.33	-	-	-	-	***	***	-	***	-	***
26	Other Reimbursements (Payment)	-	-	-	-	-	-	***	-	***	***	***	-
	Finance												
27	Deposit Given	-	-	-	-	-	-	-	-	4,748.23	-	-	-
28	Repayment of Deposits Given	-	-	-	-	-	-	-	-	15.00	-	-	-
29	Purchase / Subscriptions to Investments	-	-	***	-	***	-	-	-	4,800.00	-	-	-
30	Redemption of Investment	-	-	-	-	-	-	1,726.75	-	-	-	-	-
31	Real estate advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-

40. Related party disclosures (Contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		C	C	C	C	C	C	C	C	D	H
		Forvol International Services Ltd.	**Gokak Textiles Ltd.**	**Paikar Real Estates Pvt. Ltd.**	**Shapoorji Pallonji Infrastructure Capital Co. Ltd.**	**Shapoorji Pallonji Oil & Gas Private Ltd.**	**SP Fabricators Private Ltd.**	**Sterling and Wilson Solar Limited**	**United Motors (India) Ltd.**	**Nuevo Consultancy Service Ltd.**	**Eureka Forbes Ltd.**
	Balances										
1	Trade Payables and Capital Creditors	***	-	***	-	-	-	-	-	371.47	-
2	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-
3	Trade Receivables	-	***	-	***	-	-	-	-	-	-
4	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-
5	Contratually reimbursable expenses	***	***	***	-	-	-	-	-	-	65.15
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	-	-
7	Deposits Payable	-	-	-	***	48.25	-	-	-	-	-
8	Deposits Receivable	-	-	-	-	-	-	-	-	-	-
9	Guarantees Given	-	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
10	Real estate development expenses	-	-	-	-	-	-	-	-	516.27	-
11	Fixed Assets/ Goods & Materials	-	-	-	-	-	-	-	-	-	-
	Sales / Services										
12	Income from real estate contracts	-	-	-	-	-	-	-	-	-	-
	Expenses										
13	Rent	-	-	-	-	-	-	-	-	-	-
14	Travelling and conveyance expenses	33.12	-	-	-	-	-	-	-	-	-
15	Legal and professional charges	-	-	-	-	-	-	-	-	-	-
16	Repairs and Maintenance	-	-	-	-	-	***	***	-	-	-
17	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	96.40	-
18	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-	-
19	Remuneration	-	-	-	-	-	-	-	-	-	-
20	Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-	-
	Income										-
21	Rent and amenities	***	-	-	***	110.98	-	-	***	-	-
22	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	-	-
23	Guarantee Commission	-	-	-	-	-	-	-	-	-	-
24	Miscellaneous Income	-	***	-	-	-	-	-	-	-	-
	Other Receipts / Payments										
25	Other Reimbursements (Receipt)	***	-	87.57	-	-	-	-	-	-	-
26	Other Reimbursements (Payment)	-	-	***	-	-	-	-	-	139.84	-
	Finance										
27	Deposit Given	-	-	-	-	-	-	-	-	-	-
28	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-
29	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-
30	Redemption of Investment	-	-	-	-	-	-	-	-	-	-
31	Real estate advances received from customers	-	-	-	-	-	-	-	166.31	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).
@ Transactions relatd to Merger/ Demerger of EFL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Parties in F :

Key Managerial Personnel Remuneration

₹ in Lakhs

Particulars	31st March, 2022	*31st March, 2021*
Short-term employee benefits	**361.16**	*120.28*
Post-employment benefits *	**7.21**	*5.79*
Long-term employee benefits	**2.75**	*2.75*
	371.12	*128.82*

* The above amounts do not include expenses for gratuity and leave encashment since acturial valuation is carried out at an overall level. Bonus is disclosed on payment basis.

Directors Sitting Fees:

Name	31st March, 2022	*31st March, 2021*
D. Sivanandhan	**10.00**	*9.00*
Shapoor P. Mistry	**1.50**	*0.50*
Jai L. Mavani	**5.50**	*5.00*
Rani Jadhav	**5.00**	*5.50*
Nikhil Bhatia	**9.50**	*8.50*
Total	**31.50**	*28.50*

Parties in G

Contribution to Post Employment Benefit Plan:

Particulars	31st March, 2022	*31st March, 2021*
Forbes & Company Limited Employees Provident Fund	**89.41**	*83.77*
	89.41	*83.77*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - 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 and Capital Creditors	887.23	6.53	17.63	258.88	-	-	1,170.27
2	Advances received for real estate project	-	-	137.24	-	-	-	137.24
3	Interest accrued on investment / loan	-	127.47	-	-	-	-	127.47
4	Trade Receivables	10.23	99.90	10.79	24.65	28.92	-	174.49
5	Advance for Supply of Goods and Services and Prepaid Exps.	28.60	-	-	-	-	-	28.60
6	Contractually reimbursable expenses (Gross)	-	229.00	122.97	-	-	-	351.97
7	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	3,787.85	10.18	-	-	-	3,798.03
8	Deposits Payable	-	-	49.25	-	23.79	-	73.04
9	Deposits Receivable	-	3,332.50	-	-	-	-	3,332.50
10	Guarantees Given	-	8,974.46	-	-	-	-	8,974.46
	Transactions							
	Purchases / Services							
11	Real estate development expenses	2,151.07	-	-	626.06	-	-	2,777.13
12	Fixed Assets/ Goods & Materials	1.45	1.61	-	-	-	-	3.06
	Sales / Services							
13	Income from real estate contracts	-	-	2,609.17	-	-	-	2,609.17
	Expenses							
14	Rent	-	1.50	-	-	-	-	1.50
15	Travelling and conveyance expenses	-	1.57	11.61	-	-	-	13.18
16	Legal and professional charges	19.16	-	-	-	-	-	19.16
17	Repairs and Maintenance	86.64	0.16	1.94	-	-	-	88.74
18	Selling expenses, commission and brokerage	-	-	-	141.43	-	-	141.43
19	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	11,437.85	-	-	-	-	11,437.85
20	Remuneration	-	-	-	-	-	128.82	128.82
21	Miscellaneous expenses and security expenses	-	52.58	-	-	-	-	52.58
	Income							
22	Rent and amenities	4.17	66.00	119.10	22.30	104.69	-	316.26
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	286.13	-	-	-	-	286.13
24	Guarantee Commission	-	49.04	21.38	-	-	-	70.42
25	Miscellaneous Income	-	30.60	0.00	-	-	-	30.60
	Other Receipts / Payments							
26	Other Reimbursements (Receipt)	-	11.31	79.60	-	0.70	-	91.61
27	Other Reimbursements (Payment)	-	0.59	10.88	117.30	-	-	128.77
	Finance							
28	Deposit Given	-	3,197.50	-	-	-	-	3,197.50
29	Repayment of Deposits Given	-	125.00	-	-	-	-	125.00
30	Real estate advances received from customers	-	-	110.60	-	-	-	110.60

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

40. *Related party disclosures (Contd.)*

Previous Year

(b) Total amount of transactions that have been entered into with related parties for the year:

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	C
		Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Campbell Properties & Hospitality Services Ltd.	Volkart Fleming Shipping & Services Ltd.	Forvol International Services Ltd.
	Balances										
1	Trade Payables and Capital Creditors	887.23	-	***	***	-	-	-	-	-	***
2	Advances received for real estate project	-	-	-	-	-	-	-	-	-	-
3	Interest accrued on investment / loan	-	-	-	***	-	126.78	-	-	-	-
4	Trade Receivables	***	-	-	-	-	99.90	-	-	-	***
5	Advance for Supply of Goods and Services and Prepaid Exps.	28.60	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	-	-	-	-	-	228.67	-	-	***	-
7	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	3,787.85	-	-	-	-
8	Deposits Payable	-	-	-	-	-	-	-	-	-	-
9	Deposits Receivable	-	-	-	-	-	3,332.50	-	-	-	-
10	Guarantees Given	-	-	-	-	-	8,488.72	***	-	-	-
	Transactions										
	Purchases / Services										
11	Real estate development expenses	2,151.07	-	-	-	-	-	-	-	-	-
12	Fixed Assets/ Goods & Materials	1.45	1.61	-	-	-	-	-	-	-	-
	Sales / Services										
13	Income from real estate contracts	-	-	-	-	-	-	-	-	-	-
	Expenses										
14	Rent	-	-	-	1.50	-	-	-	-	-	-
15	Travelling and conveyance expenses	-	-	-	-	-	-	-	1.57	-	11.61
16	Legal and professional charges	19.16	-	-	-	-	-	-	-	-	-
17	Repairs and Maintenance	86.64	***	-	-	-	-	-	-	-	-
18	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-
19	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	11,437.85	-	-	-	-
20	Remuneration	-	-	-	-	-	-	-	-	-	-
21	Miscellaneous expenses and security expenses	-	-	26.36	-	26.22	-	-	-	-	-
	Income										
22	Rent and amenities	***	-	-	-	-	54.00	***	-	-	***
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	53.33	-	110.84	121.95	-	-	-
24	Guarantee Commission	-	-	-	-	-	47.44	***	-	-	-
25	Miscellaneous Income	-	***	-	***	***	25.20	5.40	-	***	-
	Other Receipts /Payments										
26	Other Reimbursements (Receipt)	-	-	-	-	***	-	-	-	***	***
27	Other Reimbursements (Payment)	-	-	-	-	-	***	-	-	-	-
	Finance										
28	Deposit Given	-	-	-	-	-	3,197.50	-	-	-	-
29	Repayment of Deposits Given	-	-	-	-	-	125.00	-	-	-	-
30	Real estate advances received from customers	-	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

40. Related party disclosures (Contd.)

Previous Year

(b) Total amount of transactions that have been entered into with related parties for the year:

₹ in Lakhs

		C	C	C	C	C	C	C	D	E
		Gokak Textiles Ltd.	Paikar Real Estates Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co. Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Ltd.	Sterling and Wilson Solar Ltd.	United Motors (India) Ltd.	Nuevo Consultancy Service Ltd.	HPCL Shapoorji Energy Pvt. Ltd.
	Balances									
1	Trade Payables and Capital Creditors	-	***	-	-	-	***	-	258.88	-
2	Advances received for real estate project	-	-	-	-	-	-	137.24	-	-
3	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	-	-	-	***	-	-	24.65	28.92
5	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	***	67.57	-	48.62	-	-	-	-	-
7	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	***	-	-	-	-
8	Deposits Payable	-	-	***	48.25	-	-	-	-	23.79
9	Deposits Receivable	-	-	-	-	-	-	-	-	-
10	Guarantees Given	-	-	-	-	-	-	-	-	-
	Transactions									
	Purchases / Services									
11	Real estate development expenses	-	-	-	-	-	-	-	626.06	-
12	Fixed Assets/ Goods & Materials	-	-	-	-	-	-	-	-	-
	Sales / Services									
13	Income from real estate contracts	-	-	-	-	-	-	2,609.17	-	-
	Expenses									
14	Rent	-	-	-	-	-	-	-	-	-
15	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-
16	Legal and professional charges	-	-	-	-	-	-	-	-	-
17	Repairs and Maintenance	-	-	-	-	-	***	-	-	-
18	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	141.43	-
19	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-
20	Remuneration	-	-	-	-	-	-	-	-	-
21	Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-
	Income									
22	Rent and amenities	-	-	***	110.98	-	-	-	***	104.69
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	-
24	Guarantee Commission	-	-	-	21.38	-	-	-	-	-
25	Miscellaneous Income	***	-	-	-	-	-	-	-	-
	Other Receipts / Payments									
26	Other Reimbursements (Receipt)	-	77.79	-	***	-	-	-	-	***
27	Other Reimbursements (Payment)	-	***	-	-	-	-	-	117.30	-
	Finance									
28	Deposit Given	-	-	-	-	-	-	-	-	-
29	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-
30	Real estate advances received from customers	-	-	-	-	-	-	110.60	-	-

*** *Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).*

41. Segment reporting

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities not identifiable to any specific segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(a) Information about reportable segments for the year:

₹ in Lakhs

Particulars	Engineering		Real Estate		Total		Elimination		Total	
	31st Mar., 2022	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*
Segment Revenue	**20,631.38**	*15,935.39*	**2,873.13**	*40,300.93*	**23,504.51**	*56,236.32*	-	-	**23,504.51**	*56,236.32*
Inter segment revenue	-	-	**2.11**	*2.09*	**2.11**	*2.09*	**(2.11)**	*(2.09)*	-	-
Revenue from operations	**20,631.38**	*15,935.39*	**2,875.24**	*40,303.02*	**23,506.62**	*56,238.41*	**(2.11)**	*(2.09)*	**23,504.51**	*56,236.32*
Segment Results	**2,975.28**	*1,564.41*	**736.25**	*12,768.53*	**3,711.53**	*14,332.94*	-	-	**3,711.53**	*14,332.94*
Exceptional items allocated to segments	-	-	-	*(99.90)*	-	*(99.90)*	-	-	-	*(99.90)*
Segment Results - (including exceptional items relating to segment)	**2,975.28**	*1,564.41*	**736.25**	*12,668.63*	**3,711.53**	*14,233.04*	-	-	**3,711.53**	*14,233.04*
Add: Unallocated income - Refer Note below									**814.58**	*502.36*
Add/Less: Unallocated expenses									**(1,146.99)**	*(1,111.17)*
Add/Less: Exceptional items other than related to segments (net)									**4,10,091.01**	*(11,337.95)*
Profit before tax and finance costs									**4,13,470.13**	*2,286.28*
Less: Finance costs									**1,234.64**	*1,375.72*
Profit before tax									**4,12,235.49**	*910.56*
Provision for taxation:										
Current tax expense									-	-
Deferred tax									**(1,058.72)**	*4,013.39*
Profit after tax									**4,13,294.21**	*(3,102.83)*
Capital employed										
Segment assets	**16,582.49**	*15,298.65*	**15,774.92**	*14,562.44*					**32,357.41**	*29,861.09*
Unallocated corporate assets									**13,387.32**	*22,969.17*
Total assets									**45,744.73**	*52,830.26*
Segment liabilities	**8,315.83**	*9,163.15*	**18,736.98**	*17,174.37*					**27,052.81**	*26,337.52*
Unallocated corporate liabilities									**14,789.72**	*9,463.37*
Total liabilities		*2,615.80*		*5,824.75*					**41,842.53**	*35,800.89*
Capital employed	**8,266.66**	*6,135.50*	**(2,962.06)**	*(2,611.93)*					**3,902.20**	*17,029.37*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**1,299.67**	*326.66*	**22.47**	-					**1,322.14**	*326.66*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress									**2,348.55**	-
Total capital expenditure (including investment properties)									**3,670.69**	*326.66*
Segment depreciation / amortisation	**1,179.54**	*1,151.04*	**82.68**	*232.80*					**1,262.22**	*1,383.84*
Unallocated corporate depreciation / amortisation									**45.57**	*45.26*
Total depreciation / amortisation									**1,307.79**	*1,429.10*
Non-cash segment expenses other than depreciation	**16.12**	*23.62*	**3.99**	*1.00*					**20.11**	*24.62*
Unallocated non-cash expenses other than depreciation and impairment									**9.48**	*1.70*
Total non-cash expenses other than depreciation and impairment									**29.59**	*26.32*

Note:
Other income allocable to respective segments has been considered as part of Segment Results.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(b) Information about geographical segment for the year

	Within india		Outside india		Total	
	31st Mar., 2022	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*
Revenue	**20,977.39**	*54,076.20*	**2,527.12**	2,160.12	**23,504.51**	*56,236.32*
Total Non-current Assets (excluding Financial Assets, Tax Assets and Post Employment Benefits)	**12,088.42**	*12,360.19*	**-**	-	**12,088.42**	*12,360.19*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**3,670.69**	*326.66*	**-**	-	**3,670.69**	*326.66*

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2022 and 31st March, 2021.

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

₹ in Lakhs

S. No.	Name		Balance as at 31st Mar., 2022	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st Mar., 2022
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:				
1.	Svadeshi Mills Company Limited	★	**4,391.78**	**4,391.78**	**-**
	(carrying no interest)	★	*4,391.78*	*4,391.78*	-
2.	Coromondal Garments Limited (Refer note 44)		-	-	-
	(carrying no interest)	★	-	*364.99*	-
3.	Edumetry Inc.	★	**72.53**	**72.53**	**-**
	(carrying no interest)	★	*72.53*	*72.53*	-
4.	Forbes Container Lines Pte. Limited	★	**302.47**	**302.47**	**-**
	(carrying no interest)	★	*302.47*	*302.47*	-
5.	Forbes Technosys Limited (including interest accrued)	★	**3,392.51**	**8,192.51**	**-**
	(carrying interest)		*3,459.28*	*3,459.28*	-

Note: ★ Provided as doubtful
The above excludes loans to employees.
Figures in italics are in respect of the previous years.

43. Svadeshi Mills is not considered as a related party of the Company as per Note 3.1.1. Secured Loans include interest free loans granted to The Svadeshi Mills Company Limited, relating to which full provision exists in the financial statements, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2022 *(31st March, 2021 ₹ 4,391.78 Lakhs)*. 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, 2022 - Continued

44. The Company had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Company refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.78 Lakhs] and recorded this as an exceptional expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, amounting to ₹ 276.19 lakhs (of which the Company had provided for ₹ 46.00 Lakhs and ₹ 230.19 Lakhs was disclosed as a contingent liability), which was appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of ₹ 744.18 Lakhs (comprising ₹ 325.00 Lakhs towards loan and ₹ 419.18 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of ₹ 276.19 Lakhs was dismissed on 9th June, 2021. Thereafter the Official Liquidator filed a report seeking permission from the Hon'ble High Court, Mumbai for payment of an amount of ₹ 467.99 Lakhs after adjusting interest amount of ₹ 276.19 Lakhs from the total adjudicated claim of ₹ 744.18 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official liquidator to pay an amount of ₹ 467.99 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for ₹ 230.19 Lakhs in addition to ₹ 46.00 Lakhs provided earlier and recorded the expense as an exceptional item for year ended 31st March, 2022. The company has received the aforesaid amount of ₹ 467.99 Lakhs in the current year.

45. Leases

Lessee accounting

(i) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	31st Mar., 2022	31st Mar., 2021
Right-of-use assets		
Office premises	**23.19**	*193.78*
Land	**17.96**	*18.87*
Total	**41.15**	*212.65*

Particulars	31st Mar., 2022	31st Mar., 2021
Lease liabilities		
Non-current	**19.38**	*195.57*
Current	**6.80**	*17.75*
Total	**26.18**	*213.32*

Additions to right-of-use asset during the current financial year were Nil (Previous year ₹ 117.94 Lakhs)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(ii) Right-of-use assets for the year ended 31st March, 2022 and 31st March, 2021.

Particulars	Office Premises		Land	
	31st Mar., 2022	*31st Mar., 2021*	**31st Mar., 2022**	*31st Mar., 2021*
Cost or Deemed cost				
Balance at 1st April, 2021/ 1st April, 2020	227.39	*415.26*	19.04	*23.61*
Additions	-	*117.94*	-	*-*
Disposals	193.94	*305.81*	-	*4.57*
Balance at 31st March, 2022/ 31st March, 2021	**33.45**	*227.39*	**19.04**	*19.04*
Accumulated depreciation				
Balance at 1st April, 2021/ 1st April, 2020	33.61	*79.76*	0.17	*0.16*
Depreciation expense for the year	25.13	*53.43*	0.91	*0.12*
Disposals	48.48	*99.58*	-	*0.11*
Balance at 31st March, 2022	**10.26**	*33.61*	**1.08**	*0.17*
Carrying Amount				
Balance at 31st March, 2022	**23.19**	*193.78*	**17.96**	*18.87*

(iii) Amounts recognized in Statement of Profit and Loss.

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	**31st Mar., 2022**	*31st Mar., 2021*
Depreciation charge of right-of-use assets		
Office Premises	25.13	*53.43*
Land	0.91	*0.12*
Total	**26.04**	*53.55*
Interest expense on lease liability (included in finance cost)	14.01	*23.19*
Expense relating to short term leases (Included in Other Expenses)	5.89	*5.80*
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses)	10.98	*15.17*
Total	**56.92**	*97.70*

The total cash outflow for leases in year ended 31st March, 2022 was ₹ 28.43 Lakhs *(Previous year ₹ 66.91 Lakhs)*.

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

For the leases of offices premises, the following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).

2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)

3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in lease liabilities and right-of-use assets by ₹ 172.73 Lakhs and ₹ 145.43 Lakhs respectively *(Previous year ₹ 214.78 Lakhs and ₹ 210.69 Lakhs respectively)*.

Lessor accounting as a lessor

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases (Refer note 37) as a results of the adoption of Ind AS 116.

For maturity profile of Lease liabilities - Refer Note 36.5.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

46. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

₹ in Lakhs

Name		During the year Given	During the year Returned	Closing balance		Period	Rate of Interest (%)	Purpose
A	**Loans given**							
1	Svadeshi Mills Company Limited	-	-	**4,391.78**	*	**N.A.**	**N.A.**	General corporate
		-	-	*4,391.78*	*	*N.A.*	*N.A.*	purpose
2	Coromandal Garments Limited	-	-	-		**N.A.**	**N.A.**	General corporate
		-	-	-	#			purpose
3	Edumetry Inc. USA	-	-	**72.53**	*	**N.A.**	**N.A.**	General corporate
		-	-	*72.53*	*	*N.A.*	*N.A.*	purpose
4	Forbes Container Lines Pte Limited	-	-	**302.47**	*	**On Demand**	12%	General corporate
		-	-	*302.47*	*	*On Demand*	*12%*	purpose
5	Forbes Technosys Limited	**4,748.23**	**15.00**	**3,265.73**	$	**On Demand**	11.00%	General corporate
		3,197.50	*125.00*	**3,332.50**		*On Demand*	*10.80%*	purpose
C	**Guarantees given**							
1	Shapoorji Pallonji Bumi Armada Offshore Limited	-	**3,347.79**	-		**N.A.**	**N.A.**	N.A.
		-	-	*3,347.79*	@	*N.A.*	*N.A.*	*N.A.*
2	Forbes Technosys Limited	-	**5,704.72**	**2,784.00**		**Continuing for**	**N.A.**	Working Capital
		-				**working capital and**	*N.A.*	and General
		-	*4,473.28*	*8,488.72*		**3 years for General**	*N.A.*	corporate purpose
		-				**Corporate Purpose**	*N.A.*	
3	Shapoorji Pallonji Forbes Shipping	-	**78.62**	**485.74**		**1 year**	**N.A.**	General corporate
	Limited	*Nil*	-	*564.36*	**	*1 year*	*N.A.*	purpose

Note:

* Provided as doubtful

@ Guarantee given Nil *(Previous year $ 44,75,000)*.

** Guarantee given $ 6,62,697 *(Previous year $ 7,54,382)*.

\# Refer note 44 for further details.

$ Existing inter corporate deposits (including interest accrued thereon) of ₹ 3,000 Lakhs and ₹ 1,800 Lakhs, which were fully provided, have been converted into 48,000,000 equity shares of ₹ 10 each of Forbes Technosys Limited, subsidiary of the Company, at a price of ₹ 10 per share during the months of June 2021 and July 2021 respectively. (Refer Note 8)

Figures in italics are in respect of the previous years.

47. Net debt reconciliation

₹ in Lakhs

	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Short Term Borrowings	**(2,343.24)**	*(3,765.43)*
Long Term Borrowings	**(5,548.20)**	*(5,823.57)*
Current Maturities of Long Term Borrowings	**(2,286.22)**	*(5,536.01)*
Lease Liability	**(26.18)**	*(213.32)*
Total debt	**(10,203.84)**	*(15,338.33)*
Cash and Cash equivalents	**611.08**	*2,170.53*
Net debt	**(9,592.76)**	*(13,167.81)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	**Long term borrowing including current maturity**	**Short term borrowing**	**Lease Liability**	**Total**
Net debt as at 1st April, 2021	**2,170.53**	**(11,359.58)**	**(3,765.43)**	**(213.32)**	**(13,167.81)**
Cash flows	(1,559.45)	3,521.51	1,422.19	28.43	3,412.68
Interest expense	-	(893.05)	(563.14)	(14.01)	(1,470.20)
Interest paid *	-	896.70	563.14	-	1,459.84
Non cash movements for acquisitions and disposals	-	-	-	172.73	172.73
Net debt as at 31st March, 2022	**611.08**	**(7,834.42)**	**(2,343.24)**	**(26.17)**	**(9,592.76)**

* The interest paid during the year includes Nil *(Previous year ₹ 252.79 Lakhs)* in respect of interest costs capitalised for the property, plant and equipment in accordance with Ind AS 23 and interest expense on loans for real estate development activites amounting to ₹ 363.49 Lakhs *(Previous year ₹ 393.89 Lakhs)*.

₹ in Lakhs

	Other assets	*Liabilities from financing activities*			
	Cash and cash equivalents	*Long term borrowing including current maturity*	*Short term borrowing*	*Lease Liability*	*Total*
Net debt as at 1st April, 2020	*190.59*	*(11,263.60)*	*(7,276.81)*	*(353.81)*	*(18,703.63)*
Cash flows	*1,979.94*	*(91.97)*	*3,511.38*	*66.91*	*5,466.26*
Interest expense	-	*(1,112.09)*	*(563.14)*	*(23.19)*	*(1,698.42)*
*Interest paid **	-	*1,108.07*	*563.14*	-	*1,671.21*
Non cash movements for acquisitions and disposals	-	-	-	*96.77*	*96.77*
Net debt as at 31st March, 2021	*2,170.53*	*(11,359.59)*	*(3,765.43)*	*(213.32)*	*(13,167.81)*

48. Offsetting financial assets and financial liabilities

₹ in Lakhs

	Gross amounts	**Gross amounts set off in the Balance Sheet**	**Net amounts presented in Balance Sheet**
	(Financial Assets -Trade Receivables)	**(Financial Liabilities - Rebates/ Discounts)**	**(Net Financial Assets - Trade Receivables)**
31st March, 2022	7,229.08	281.54	6,947.54
Total	**7,229.08**	**281.54**	**6,947.54**
31st March, 2021	*4,775.73*	*231.41*	*4,544.32*
Total	*4,775.73*	*231.41*	*4,544.32*

The Company gives rebates/ discounts mainly for Engineering segment. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

49. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	Notes	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Current			
Floating charge			
Financial Assets			
- Trade receivables	9	**3,144.30**	*3,452.11*
- Cash and cash equivalents	13A	**611.08**	*2,170.53*
- Bank balances other than above	13B	**289.21**	*259.52*
- Loans	10B	**0.83**	*1.52*
- Other financial assets	11B	**97.39**	*908.34*
- Other current assets	14B	**1,065.88**	*833.61*
		5,208.69	*7,625.63*
Non-financial assets			
- Inventories	12	**4,370.34**	*2,823.49*
Total current assets pledged as security		**9,579.03**	*10,449.12*
Non-current			
Specific charge			
- Leasehold land	5	**10.30**	*10.47*
- Freehold buildings	5	**3,594.14**	*3,577.46*
- Plant & Machinery	5	**5,227.50**	*5,064.79*
- Furniture & fixtures	5	**27.34**	*34.63*
- Office equipments	5	**5.61**	*10.60*
- Vehicle		**38.32**	-
- Investment properties	6	**89.42**	*103.34*
- Capital work-in-progress	5.1	**81.82**	*197.85*
Total non-currents assets pledged as security		**9,074.46**	*8,999.14*
Total assets pledged as security		**18,653.49**	*19,448.26*

Certain loans taken by a subsidiary, Forbes Technosys Limited (FTL) are backed by 1st Pari-passu charge on property owned by the Company situated at Wagle Estate Thane with carrying value amount ₹ 0.27 Lakhs *(Previous year ₹ 0.67 Lakhs)*.

50. Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 was effective from accounting period beginning on or after 1st April, 2018 and replaced the then existing revenue recognition standards. The application of Ind AS 115 had significant bearing on the Company's accounting for recognition of revenue from real estate development projects.

The Company had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating ₹ 5,083.12 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018.

Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers, the Company has recognised revenue of ₹ 38,652.53 Lakhs for the year ended 31st March, 2021 and ₹ 1,490.58 lakhs for the year ended 31st March, 2022.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Revenue is recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units.

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers.

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's method of revenue recognition as the amounts are not reflective of our transferring control of the system to the customer.

Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	**Year ended 31st Mar., 2022**	*Year ended 31st Mar., 2021*
Contract price of the revenue recognised (pertaining to performance obligations completed)	1,731.48	*41,421.15*
Less: Customer incentives/ discounts / other considerations	(240.90)	*(2,768.62)*
Income from real estate contracts recognised in the Standalone Statement of Profit and Loss	1,490.58	*38,652.53*

The Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) are reflected as trade receivables. Contract liability (reflected as Advances from customers under Other Current Liabilities) is the obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no significant changes in the composition of Contract Liabilities and Trade Receivables during the reporting period other than on account of periodic invoicing and revenue recognition.

51. The COVID-19 pandemic has severely disrupted the world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Company commenced with its operations in a phased manner in line with the directives from the authorities.

The Company has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the new waves and strains of virus in the country) on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, trade receivables, inventory and investments as at the Balance Sheet date. Based on the management's review of the current indicators and economic conditions, there are no additional adjustments on the Company's financial results for the year ended 31st March, 2022. The Company has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

The Company throughout the lockdown period and even subsequently has been able to maintain adequate control of its assets and there are no significant changes to its control environment during the period.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

52. Forbes Technosys Limited (FTL), a subsidiary, has incurred a total comprehensive loss of ₹ 4,217.77 Lakhs for the year ended 31st March, 2022. Its accumulated losses aggregates to ₹ 31,727.78 Lakhs and its current liabilities exceeded current assets by ₹ 15,064.49 Lakhs as at 31st March, 2022.

FTL has suffered a setback in the last few years due to muted demand and stress in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom. The entry of several local players in the e-payments space and heightened competition has put additional pressure on the margins of FTL.

The Covid-19 pandemic has severely disrupted business operations around the world due to global lockdown and other emergency measures imposed by various governments. This has also impacted the operations of FTL as its manufacturing units and offices had to be completely shut-down multiple times during 2020 and 2021. Also, supply chain for critical electronic components required for sales and services were affected since January 2020, which eventually affected performance during the year ended 31st March, 2021 and 31st March, 2022. The present situation coupled with the impact of Covid-19 had resulted in a decline in the recoverable value of investment / other assets in FTL, consequent to which an impairment provision / loss allowance as follows have been created:

- On Investments of ₹ 7,650.00 Lakhs respectively for the year ended 31st March, 2021.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

- On Financial assets aggregating ₹ 328.57 Lakhs for the year ended 31st March, 2021.
- On inter-corporate deposits (including interest accrued thereon) of ₹ 4,733.23 Lakhs respectively for the year ended 31st March, 2022, ₹ 3,459.28 Lakhs for the year ended 31st March, 2021.
- On Guarantees given to FTL (against bank loans availed by FTL) provision aggregating ₹ 2,784.00 Lakhs (net of utilization) for the year ended 31st March, 2022. The company had an exposure of ₹ 8,488.72 Lakhs pertaining to guarantees given as at March 31, 2021

  Additionally, inter-corporate deposits given to FTL (including interest accrued thereon) aggregating ₹ 4,800.00 Lakhs (which were fully provided) has been converted into equity investments during the year ended 31st March, 2022.

53. The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 had, inter alia, approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") [the wholly owned subsidiaries of Eureka Forbes Limited ("EFL")] with and into EFL and amalgamation and vesting of EFL with and into the Company.

Further, upon the above part of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis would take place. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

On 19th September, 2021 a Share Purchase Agreement (SPA) was entered into between Lunolux Limited (Acquirer), an Advent International entity, Shapoorji Pallonji and Company Private Limited (Seller), the Company, EFL, FESL and Forbes Campbell Finance Limited ("FCFL") for sale of shares of FESL, post issuance and listing of the same pursuant to the Scheme becoming effective.

Pursuant to the aforesaid SPA, the Board of Directors of the Company vide resolution dated 10th October, 2021, approved the following amendments to the Scheme:

- certain identified investments of EFL shall not be demerged as part of the Demerged Undertaking (as defined in the Scheme) from the Company to FESL,
- "appointed date" as per the Scheme would be effective date or the first day of the calendar month immediately succeeding the month in which the effective date occurs, as may be decided by the Board

Consequently, notices to equity shareholders, secured creditors and unsecured creditors had been sent for the aforesaid modifications in the Scheme and necessary approvals from the stock exchange, regulators and other stakeholders were sought. On 6th October, 2021, the Company has received an order from Hon'ble National Company Law Tribunal, Mumbai (NCLT) for convening meetings of equity shareholders, secured creditors and unsecured creditors and consequently the meetings were held on 22nd November, 2021, where the scheme was approved. Since FESL is used as an acquisition vehicle by the acquirer, EFL has deconsolidated FESL w.e.f. 1st December, 2021. Further, the Scheme was sanctioned by the NCLT vide order dated 25th January, 2022. Upon receipt of the certified copy of the said order, the Scheme was made effective by filing Form INC 28 with the Registrar of Companies, Mumbai, Maharashtra (ROC) on 1st February, 2022.

The Board of Directors of the respective companies vide resolution dated 31st January, 2022 have approved 1st February, 2022 as the Appointed Date, for the purposes of the Scheme. Consequently, with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL, followed by merger of EFL into the Company and demerger of the Demerged Undertaking on a going concern basis into FESL on the same date.

In accordance with the provisions of the Scheme, each shareholder of the Company as on the Record date i.e. 11th February, 2022 were allotted 15 shares each of FESL (Now EFL) which got listed on BSE Limited. The allotment of the aforesaid new shares was completed on 14th February, 2022 and each shareholder of Forbes & Company Limited became entitled to 15 shares of FESL (Now EFL) in the ratio to their original holding as per details specified in the scheme.

Merger

Merger as per the requirements of Appendix C to Ind AS 103 - Business Combinations, should be accounted for as if it had occurred from the beginning of the preceding period in the standalone financial results of the Company. However, in accordance with MCA circular dated 21st August, 2019, the Company has considered the appointed date i.e. 1st February, 2022 as the date of merger.

On account of merger, a net liability of ₹ 13,270.30 lakhs of merged entities as on 1st February, 2022 (after eliminations of intercompany transactions) which includes Lux Group loans, receivables and liabilities ₹ 32,905.97 lakhs, has been taken over and the investment of the Company in EFL amounting to ₹ 6,572.86 lakhs has been eliminated.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Demerge

Post the merger scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis has taken place on the appointed date of 1st February, 2022 as approved by the NCLT.

The demerger has been considered as a distribution of non-cash assets to the owners of the Company and the difference in the fair value and the carrying amount of net assets of the Demerged Undertaking is recognised as Notional gain on demerger in these financial results as an exceptional item amounting to ₹ 4,52,875.74 Lakhs during the quarter and year ended 31st March, 2022. Neither the Company nor the shareholders have received any cash or were they entitled to receive any cash in respect of this Composite Scheme.

Distribution of demerged undertaking to Shareholders of the Company	4,06,600.00
Carrying value of net assets/ (liabilities) of demerged entities	(46,275.74)
Notional gain on distribution of demerged undertaking to owners	4,52,875.74

The aforementioned merger and demerger have a net impact of ₹ 26,433.11 Lakhs on reserves as at 31st March, 2022. The total assets pertaining to the Lux Group retained by the Company in lines with the Composite Scheme are ₹ 32,935.67 Lakhs (Refer Note 32 B and Note 58).

The Following entities (originally down stream entities of EFL) are retained by the Company post completion of the composite scheme of arrangement:

EFL Mauritius Limited
Forbes Lux International AG
Forbes Facility Service Private Limited
Forbes Concept Hospitality Services Private Limited (joint Venture)

54. A) The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding ("MOU") for sale of approximately 3.804 acres of land at Chandivali with a net carrying value as on 31st March, 2022 aggregating ₹ 2,315.70 Lakhs [including ₹ 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during the year ended 31st March, 2022], which has been reflected as asset held for sale, for a consideration of ₹ 20,000.00 Lakhs.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement For Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an increased consideration of ₹ 23,500.00 Lakhs. The new AFS was executed on 24th March, 2022 and the completion of the said transaction subject to fulfilment of conditions precedent is expected to be completed in Q1 of FY 2022-2023. Further, the Company has received an advance of ₹ 4,000.00 Lakhs from Equinix during the year ended 31st March, 2022 which has been disclosed under Other Liabilities.

B) The Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved entering into a binding term sheet for sale of its entire shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company to SILA Solutions Private Limited. The binding term sheet has been executed on 23rd February, 2022 and the agreement for sale has been executed on 20th May, 2022. The transaction is subject to completion of conditions precedent as shall be set out in the definitive documents and is likely to be completed by Q1 of FY 2022-2023. The proposed sale consideration is ₹ 4,200.00 Lakhs, subject to certain closing adjustments. Accordingly, the net carrying value of the investment of ₹ 100.00 Lakhs has been classified as asset held for sale as at 31st March, 2022.

C) The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022, the break up of which is as follows:

Particulars	As at 31st Mar., 2022	
	Qty	**Amount**
a) Equity Instruments (at cost less impairment)		
Equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited [Provision for impairment in value ₹ 2,050.00 Lakhs *(Previous year Nil)*]	3,75,000	-
Equity component in Zero Percent Redeemable Preference Shares of Shapoorji Pallonji Forbes Shipping Limited [Provision for impairment in value ₹ 929.20 Lakhs (Previous year Nil)]	-	1,840.97

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Particulars	As at 31st Mar., 2022 Qty	Amount
Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	-	1.29
b) Preference Shares (at amortised cost)		
Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited [Provision for impairment in value ₹ 325.93 Lakhs (Previous year Nil)]	2,21,50,000	913.83

55. Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i. Details of benami property held

There are not any proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at March 31, 2022.

ii. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.

iii. Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

v. (a) The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds)during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or,

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) during the year with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi. Undisclosed income

The company does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year.

vii. Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year

viii. Valuation of PP&E, intangible asset and investment property
The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

56. Other regulatory information

i. Registration of charges or satisfaction with Registrar of Companies
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

ii. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

iii. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.

The Group has five CICs which are part of the Group

- SP Finance Private Limited,
- SC Finance and Investments Private Limited,
- Hermes Commerce Private Limited,

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

- Renaissance Commerce Private Limited and
- Shapoorji Pallonji Oil & Gas Private Limited (the entity has applied to RBI for registration as CIC).

57. Forbes Campbell Finance Limited (FCFL), a subsidiary, has early redeemed 0.1% Optionally Convertible Redeemable Debentures at face value of ₹ 10 each during the year ended 31st March, 2022. The difference between the carrying amount of the debentures aggregating ₹ 524.51 Lakhs and the amount received from FCFL aggregating ₹ 1,728.00 Lakhs has been recognized as income received on early redemption from FCFL (i.e. ₹ 1,203.49 Lakhs) during the year ended 31st March, 2022 and recorded as an exceptional item.

58. Lux group is part of the Health and Hygiene business segment of the Group and was earlier part of the Eureka Forbes group of subsidiaries. Pursuant to the demerger of the major Health and Hygiene business in lines with the composite scheme (refer Note 53) from the Group, synergies which were expected to bring about business expansion and recovery for Lux Group might not be attainable. Accordingly, based on an assessment of the revised future projections carried out by the Company's management after considering current economic conditions and trends and estimated future operating results, an impairment loss of ₹ 32,935.67 Lakhs for the year ended 31st March, 2022 has been recorded as an exceptional item towards:

- Loans outstanding of ₹ 10,173.52 Lakhs for the year ended 31st March, 2022.
- Financial assets aggregating ₹ 20,033.38 Lakhs for the year ended 31st March, 2022
- Non-current assets ₹ 272.80 Lakhs for the year ended 31st March, 2022,
- Trade Receivables ₹ 2,455.97 Lakhs for the year ended 31st March, 2022.

The above receivables from group companies acquired on merger based on the composite scheme of arrangement as mentioned in Note 53 is outstanding for a period of more than 3 years. The company is in the process of applying to the Authorised dealer on the status of the aforementioned receivables to seek their views on the future course of action with respect to the realisation of the same.

59. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

60. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 30th May, 2022.

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

Place: Mumbai
Date: 30th May, 2022

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 30th May, 2022

CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF ANNUAL REPORT OF FORBES & COMPANY LIMITED FOR THE YEAR ENDED MARCH 31, 2022

Independent Auditors' Report

To the Members of Forbes & Company Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Forbes & Company Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and joint ventures (Refer Note 2.2 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate impact of the matters referred to in Basis for Qualified Opinion section of our report, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate companies and joint ventures as at March 31, 2022 of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified Opinion

3. We draw your attention to the following qualification to the opinion included in the audit report dated May 17, 2022, issued by an independent firm of accountants on the consolidated financial statements of Lux International AG, a subsidiary of the Holding Company is reproduced as under:

   "Lux International AG's investment in Lux del Paraguay S.A., a foreign company, is fully consolidated. Lux del Paraguay S.A.'s net result in the amount of EUR (-)296 and total assets of EUR 2.821 million are included in the Group's consolidated income statement and consolidated statement of financial position for the financial year then ended. We were unable to obtain sufficient appropriate audit evidence on Lux del Paraguay S.A.'s share of net profit as well as total assets and liabilities for the year ended December 31, 2021, as access to the financial information was limited to the Lux del Paraguay S.A.'s auditor. Due to this scope limitation, the component auditor is unable to issue an opinion on the financial statements of Lux del Paraguay S.A.. Consequently, we were unable to determine whether any adjustments are required with regards to the net assets and results of Lux del Paraguay S.A. included in the consolidated income statement and consolidated statement of financial position."

4. We draw your attention to the following qualification to the opinion included in the audit report dated May 13, 2022, issued by an independent firm of accountants on the financial statements of Forbes Lux International AG, a subsidiary of the Holding Company is reproduced as under:

   "Forbes Lux International AG has an indirect investment in Lux del Paraguay S.A., a foreign company that is a subsidiary of Lux International AG. The values attributable to Lux del Paraguay S.A. are recognized as part of the fair value of the Lux International AG investment, amounting to CHF 46.507 million. Lux del Paraguay S.A.'s share in the fair value recognized in the balance sheet of Forbes Lux International AG amounts to CHF 1.962 million as at December 31, 2021. We were unable to obtain sufficient appropriate audit evidence on Lux del Paraguay S.A.'s financial results and balances for the year ended December 31, 2021, as access to the financial information was limited to Lux del Paraguay S.A.'s auditors. Due to this scope limitation, the component auditor is unable to issue an opinion on the financial statements of Lux del Paraguay S.A.. Consequently, we were unable to determine whether any adjustments are required with regards to the investment of Lux del Paraguay S.A. and respective portion of the fair value, amounting to CHF 1.962 million, which is included in the total investment value, amounting to CHF 46.507 million."

5. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 25, 26 and 28 of the Other Matters section below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 27 of the Other Matters section below, is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

6. The following paragraph in respect of "material uncertainty related to going concern" was included in the audit report dated May 16, 2022, containing an unmodified audit opinion on the

financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants is reproduced as under:

"We draw attention to Note 34 of the financial statements which indicates that the Company has incurred a net loss during the current year and the Company's current liabilities exceeded its current assets as at March 31, 2022. The Company has accumulated losses and its net worth is negative as at March 31, 2022.

The aforesaid conditions and financial stress indicate the existence of a material uncertainty that may cast a 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 Note 34.

Our opinion is not modified in respect of this matter."

The Note 34 as described above has been reproduced as Note 68 to the Consolidated Financial Statements for the year ended March 31, 2022.

7. The following paragraph in respect of "material uncertainty related to going concern" was included in the audit report dated May 13, 2022, containing a qualified audit opinion on standalone financial statements of Forbes Lux International AG ("FLIAG"), a subsidiary of the Holding Company in the emphasis of matter paragraph, issued by an independent firm of accountants reproduced as under:

   "We draw attention to note 16 in the financial statements describing the financial difficulties the company faced during the financial year ended December 31, 2021. This fact indicates the existence of a material uncertainty that may cast significant doubt about Forbes Lux International AG's ability to continue as a going concern. Our opinion is not qualified in respect of this matter."

   The Note 16 as described above has been reproduced as Note 70 to the Consolidated Financial Statements for the year ended March 31, 2022.

8. The following paragraph in respect of "material uncertainty related to going concern" was included in the consolidated audit report dated May 17, 2022, containing a qualified audit opinion on Consolidated Financial Statements of Lux International AG ("LIAG"), a subsidiary of the Holding Company in the emphasis of matter paragraph, issued by an independent firm of accountants reproduced as under:

   "We draw attention to note 26 in the consolidated financial statements describing the vulnerabilities with regards to the net sales and the respective impact on net profits and future cash flows of Lux International AG and its direct and indirect subsidiaries (the Group). This fact as disclosed in note 26 in the consolidated financial statements indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter."

   The note 26 as described above has been reproduced as Note 71 to the Consolidated Financial Statements for the year ended March 31, 2022.

Emphasis of Matter

9. We draw your attention to Note 51 to the standalone financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Holding Company. The Holding Company believes that no additional adjustments are required in the standalone financial statements, however, in view of various preventive measures taken (such as lock-downs and travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

10. We draw attention to Note 66 of the Consolidated Financial Statements in respect of a Composite Scheme of Arrangement which has been approved by the National Company Law Tribunal ("NCLT") vide its order dated January 25, 2022 and a certified copy of the order has been filed by the Company with the Registrar of Companies, Mumbai, Maharashtra, on February 1, 2022. In respect of the aforesaid scheme, merger as per the requirements of Appendix C to Ind AS 103 - Business Combinations, should be accounted for as if it had occurred from the beginning of the preceding period in the standalone financial statements of the Holding Company. However, in accordance with MCA circular dated August 21, 2019, the Holding Company has considered the appointed date i.e. February 1, 2022 as the date of merger. Further, in respect of the demerger, the appointed date of February 1, 2022 as approved by the NCLT has been considered as the demerger date for the purpose of accounting.

    The aforesaid Note also describes in detail the impact of the business combination on the Consolidated Financial Statements. Our opinion is not modified in respect of this matter.

11. The following emphasis of matter included in the audit report dated April 18, 2022 containing an unmodified audit opinion on the Special Purpose Condensed Standalone Financial Statements of Eureka Forbes Limited, erstwhile subsidiary of the Holding Company is reproduced as under:

    "We draw attention to note 29(XII) of the condensed standalone Financial statements, which describes the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, which inter alia, provides for amalgamation and vesting of EFL with and into FCL on a going concern basis was approved by NCLT. The requisite certified order of National Company Law Tribunal (NCLT) has been filed with Registrar Of Companies on February 1, 2022. Consequently, EFL is amalgamated with FCL with effect from the appointed date of February 1, 2022.

Our opinion is not modified in respect of the above matter."

Note 29(XII) as described above is reproduced as Note 56A to the Consolidated Financial Statements for the year ended March 31, 2022.

12. The following emphasis of matter has been included in the audit report dated March 15, 2022 containing an unmodified audit opinion on the Special Purpose Condensed Financial Statements of Aquaignis Technologies Private Limited, erstwhile subsidiary of the Holding Company is reproduced as under:

"We draw attention to note 36 which describes that the Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated 25 January,2022 approved the Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder between the Company, Euro Forbes Financial Services Limited (EFFSL), Eureka Forbes Limited (EFL), Forbes & Company Limited (FCL) and Forbes Enviro Solutions Limited (FESL or Resulting Company or the Company) and their respective shareholders. Consequently with effect from 1st February, 2022 ATPL and EFFSL have merged with EFL followed by merger of EFL into FCL and demerger of the Demerged Undertaking on a going concern basis in to FESL on the same date.

Our opinion is not modified in respect of the above matter."

Note 36 as described above is reproduced as Note 56B to the Consolidated Financial Statements for the year ended March 31, 2022.

13. The following emphasis of matter has been included in the audit report dated March 15, 2022 containing an unmodified audit opinion on the Special Purpose Condensed Financial Statements of Euro Forbes Financial Services Limited, erstwhile subsidiary of the Holding Company reproduced as under:

"We draw attention to note 12 which describes that the Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated 25 January,2022 approved the Composite Scheme of Arrangement under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder between the Company, Aquaignis Technologies Private Limited (ATPL), Eureka Forbes Limited (EFL), Forbes & Company Limited (FCL) and Forbes Enviro Solutions Limited (FESL or Resulting Company or the Company) and their respective shareholders. Consequently with effect from 1st February, 2022 ATPL and EFFSL have merged with EFL followed by merger of EFL into FCL and demerger of the Demerged Undertaking on a going concern basis in to FESL on the same date.

Our opinion is not modified in respect of the above matter."

Note 12 as described above is reproduced as Note 56C to the Consolidated Financial Statements for the year ended March 31, 2022.

Key Audit Matters

14. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion and Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>(a) Revenue recognition for Real Estate Development Activities (Refer Notes 28 and 63 to the Consolidated Financial Statements)

In respect of real estate development projects, the determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Holding Company has an enforceable right to payment as per requirements of Ind-AS 115 involves significant judgement by the Management.

Revenue recognition for real estate development activities is considered as a key audit matter in view of the significance of amounts involved along with related disclosures and involvement of management judgement in establishing the timing of transfer of control to the customer and enforceable right to payment for performance completed to date.</td><td>Our audit procedures over the recognition of revenue for Real Estate Development activities included the following:

• Obtaining an understanding and evaluating the design and testing of effectiveness of key internal financial controls in respect of revenue recognition for real estate development activities;

• Obtaining an understanding of the Holding Company’s accounting policy on revenue recognition for real estate development activities and assessing compliance of the policy with principles enunciated under Ind-AS 115;

• Obtaining a listing of contracts with customers from the Management;

• Evaluating completeness and accuracy of the list of contracts as mentioned above;

• Examining the mathematical accuracy in respect of amount recognised as revenue in respect of these customer contracts;

• Examining the terms of sales agreements, agreement value and other relevant details to validate revenue recognition during the year;

• Obtaining evidence regarding the transfer of control considering criteria as per Ind-AS 115 and evaluating enforceability of payment for work completed to date for validating the timing of transfer of control to the customer; and

• Assessing the accuracy and completeness of disclosures in the Consolidated Financial Statements.

Based on the above audit procedures performed, we did not come across any significant exceptions with regard to revenue recognition in respect of real estate development activities.</td></tr>
<tr><td>(b) Assessment of Provisions and Contingent Liabilities (Refer to Notes 19A and 39 to the Consolidated Financial Statements)

As at March 31, 2022, in respect of certain direct and indirect tax matters and other litigations, the Holding Company has recognised provisions aggregating Rs. 265.50 Lakhs and disclosed contingent liabilities aggregating Rs. 14,433.51 Lakhs.

The Holding Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties. There is a high level of management judgement required in estimating the probable outflow of economic resources and the level of provisioning and/or the disclosures required. The judgement of the management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Holding Company’s reported profit and financial position.</td><td>Our audit procedures included the following:

• Understanding and evaluating the process and controls designed and implemented by the management including testing the operating effectiveness of the relevant controls;

• Obtaining the details of the litigation matters, inspecting the supporting evidences and assessing management’s evaluation through inquiries with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources;

• Understanding the current status of the direct and indirect tax assessments/ litigations;

• Reading recent orders and/ or communication received from the tax authorities and with certain other parties and management responses to such communication;</td></tr>
</table>

We considered this area as a key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved for the assessment.	• Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluating the grounds presented therein; • Evaluating independence, objectivity and competence of the management's tax / legal consultants; • Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had discussion with them as and when required; • Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures; • Assessing the adequacy of disclosure in the Consolidated Financial Statements. Based on the above procedures, we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.

15. The following Key Audit Matters were included in the audit report dated May 16, 2022, containing an unmodified audit opinion on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced by us as under:
"

a) Inventory valuation

Description of Key Audit Matter:

As described in Note 2.4 of the financial statements, the inventories of the Company are valued at lower of cost and net realisable value. During the year, the expense on write-down of the inventories to their net realisable value was significant and amounted to Rs. 1,157.84 lakhs.

The Company exercises significant judgement and assumptions in estimation of the net realisable value of the inventories. The operations of the Company are scaled down significantly during the year as compared to previous years. As a result, the Company has accumulated slow and non-moving inventory which has increased the write down expense during the year.

Refer Note 7 of the financial statements for details of inventory.

Our response:

- We observed the stock taking process at the year end and performed our own test counts and observed the condition of the overall inventories.

- We held discussions with the technical team of the Company to understand the impact of technical obsolescence on the net realisable value of non-moving and slow-moving inventories.

- We held discussions with the management in respect of the assumptions applied for estimation of net realisable value where direct evidence of the net realisable value were not available for slow and non-moving inventories.

- We test checked the valuation of the inventory held at reporting period based on their cost and evidences of net realisable value nearest to the reporting date as applicable to conclude that the inventories are carried at lower of their cost and net realisable value.

b) Allowance for expected credit loss on trade receivables

Description of Key Audit Matter:

As on March 31, 2022, the carrying amount of trade receivable was Rs. 1,793.16 lakhs (net of provision for expected credit loss of Rs. 2,326.11 lakhs) which represent 44.68 % of the total assets of the Company.

The Company exercises significant judgment in calculating the expected credit losses on trade receivables. The Company determines the allowance for credit losses as per provision matrix based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit loss, the Company has also considered relevant credit information of its customers (to the extent the Company has access to such information) to estimate the probability of default in future and age-wise analysis of outstanding amounts.

In calculating expected credit loss, the Company has taken into account estimates of possible effect from the pandemic relating to COVID -19.

Refer Note 8 of the financial statements for information on trade receivables and provision for expected credit losses.

Our response:

- We tested the effectiveness of controls over the development of the provision matrix for the allowance for credit losses, including consideration of the current and estimated future economic conditions.
- We verified the completeness and accuracy of information used while calculating the provision for expected credit loss and ageing of the receivables.
- We analysed the profile of the customers and credit information, to the extent available in respect of certain customers on a sample basis.
- We analysed the reasonability of the provision matrix and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

Notes 2.4, 7 and 8 as described above is included in Note 2(xii), 20, 12 and 9 to the Consolidated Financial Statements for the year ended March 31, 2022.

Other Information

16. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the board report and corporate governance report but does not include the Consolidated Financial Statements and our auditor's report thereon.

    Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

    In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 25 and 26 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

19. The respective Board of Directors of the companies included in the Group and of its associate companies and joint ventures are responsible for overseeing the financial reporting process of the Group and of its associate companies and joint ventures.

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and joint ventures to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matters

25. We did not audit the financial statements of 7 subsidiaries (6 subsidiaries as at March 31, 2022) whose financial statements reflect total assets of Rs. 20,772.47 Lakhs and net assets of Rs. (-) 5,944.53 Lakhs as at March 31, 2022, total revenue of Rs. 23,173.95 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 2,039.86 Lakhs and net cash flows amounting to Rs (-) 2,010.56 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 262.72 Lakhs and Rs. 0.43 Lakhs for the year ended March 31, 2022 as considered in the Consolidated Financial Statements, in respect of 3 associate companies and 1 joint venture respectively, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate companies and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associate companies, is based solely on the reports of the other auditors.

26. We did not audit the special purpose financial information of 3 subsidiaries included in the Consolidated Financial Statements, whose special purpose financial information reflect total assets of Rs. 1,11,480.78 Lakhs and net assets of Rs. (-) 12,805.77

Lakhs as at January 31, 2022, total revenues of Rs. 1,66,758.61 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of Rs. 1,097.41 Lakhs and net cash flows amounting to Rs. (-) 727.15 Lakhs for the period from April 1, 2021 to January 31, 2022, as considered in the Consolidated Financial Statements. These special purpose financial information have been audited by other auditors/ independent firm of accountants whose reports have been furnished to us by the Management. Further, the aforementioned 3 subsidiaries, stand demerged from the date of merger i.e. w.e.f. Appointed Date February 1, 2022.

27. We did not audit the financial statements/financial information of 6 subsidiaries (1 as at March 31, 2022) whose financial statements/ financial information reflect total assets of Rs. 5,788.53 Lakhs and net assets of Rs 3,309.49 Lakhs as at January 31, 2022/ March 31, 2022, total revenue of Rs. 6,284.35 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (-) 2,571.45 Lakhs and net cash flows amounting to Rs. (-) 126.90 Lakhs for the period from April 1, 2021 to January 31, 2022/ March 31, 2022, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. Nil as considered in the Consolidated Financial Statements, in respect of 1 associate company (no associated as at March 31, 2022) whose financial statements have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associate company and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and associate companies, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

28. The financial statements of 1 subsidiary and Consolidated Financial Statements of one subsidiary located outside India (Refer Note 3 and 4 above), included in the Consolidated Financial Statements, which constitute total assets of Rs. 52,091.32 Lakhs and net assets of Rs. (-) 5,447.91 Lakhs as at December 31, 2021 , total revenue of Rs. 2,1258.99 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (-) 3,686.54 Lakhs and net cash flows amounting to Rs. 352.33 Lakhs for the year then ended; have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India, including other information, is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the management.

Report on Other Legal and Regulatory Requirements

29. As mentioned in paragraph 26 above, in respect of Eureka Forbes Limited, Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited, subsidiaries of the Holding Company only audited special purpose financial information has been made available to us which does not include Report on Other Legal and Regulatory Requirements. Accordingly, no comments for the said subsidiaries have been included for the purpose of reporting under Report on Other Legal and Regulatory Requirements.

30. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.

31. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flow dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) The following matter was included in the audit report dated May 16, 2022 issued on the financial statements of Forbes Technosys Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:

"The matter described in the 'Material Uncertainty Related to Going Concern' section above, in our opinion, may have an adverse effect on the functioning of the Company."

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and joint ventures incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(g) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group, its associate companies and joint ventures – Refer Note 22 and 41 to the Consolidated Financial Statements.

ii. Provision has been made in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2022 – Refer (a) Note 21B to the Consolidated Financial Statements in respect of such items as it relates to the Group, its associate companies and joint ventures and (b) the Group's share of net profit/ loss in respect of its associates.

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and joint ventures incorporated in India during the year.

iv. a) The respective Managements of the Holding Company and its subsidiaries, joint ventures and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint ventures and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries, joint venture and associates to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, joint venture and associates ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

b) The respective Managements of the Holding Company and its subsidiaries, joint venture and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, joint venture and associates respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of such subsidiaries, joint venture and associates from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, joint venture and associates shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, joint venture and associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The Holding Company, its subsidiary companies, associate companies and joint ventures, have not declared or paid any dividend during the year.

32. The Group, its associate companies and joint ventures have 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 to the extent those were applicable to the respective entities.

The following matter was included in the audit report dated May 28, 2022 issued on the financial statements of Forbes Facility Services Private Limited, a subsidiary of the Holding Company issued by an independent firm of Chartered Accountants reproduced as under:
"In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/provided by the Company to its directors during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limit laid down under this section are given below.

Financial year	Amount of excess remuneration	Remarks
31 March 2022	2. 47 lakhs	Remuneration paid/ payable to Mr. Vinay Deshmukh (Executive Director and CEO) which was approved in the Board meeting held on July 13, 2021 exceeds the limit prescribed under section 197 by Rs. 1.63 lakhs and is subject to shareholders approval. The Company has charged the excess remuneration paid / payable in the statement of Profit and Loss for the year ended March 31, 2021. Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 1.63 lakhs is held in trust by Mr Vinay Deshmukh.

"

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

Sarah George
Partner
Membership Number: 045255

UDIN: 22045255AJVSOH2793
Place: Mumbai
Date: May 30, 2022

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2022 ₹ in Lakhs	*As at 31st Mar., 2021 ₹ in Lakhs*
Assets					
1 Non-current assets					
Property, Plant and Equipment	**4**			**9,887.68**	*22,490.51*
Right-of-use assets	**5**			**1,663.82**	*1,657.37*
Capital work-in-progress				**81.82**	*197.85*
Investment Properties	**6**			**2,259.68**	*2,349.05*
Goodwill	**7**			**-**	*30,450.39*
Other Intangible assets	**8**			**2,011.18**	*2,829.56*
Intangible assets under development				**-**	*161.49*
Financial Assets:					
i) Investments					
a) Investments in associates	**10A**	**994.91**			*529.72*
b) Investments in joint ventures	**10B**	**941.47**			*5,481.62*
c) Other Investments	**10C**	**9,770.83**			*4.60*
			11,707.21		*6,015.94*
ii) Trade receivables	**9A**		**1,096.61**		*891.17*
iii) Loans	**11A**		**-**		*-*
iv) Other financial assets	**14A**		**498.80**		*1,994.50*
				13,302.62	*8,901.61*
Tax assets					
i) Deferred tax assets (net)	**23A**		**3,764.72**		*2,366.53*
ii) Income tax assets (net)	**27**		**1,470.82**		*2,036.22*
				5,235.54	*4,402.75*
Other non-current assets	**15A**			**664.86**	*2,097.96*
Total Non-current assets				**35,107.20**	*75,538.54*
2 Current assets					
Inventories	**12**			**20,157.51**	*18,618.14*
Financial Assets:					
i) Investments	**10D**		**-**		*-*
ii) Trade receivables	**9B**		**8,697.66**		*12,085.33*
iii) Cash and cash equivalents	**13A**		**1,730.76**		*5,839.42*
iv) Bank balances other than (iii) above	**13B**		**448.26**		*910.17*
v) Loans	**11B**		**0.83**		*1.52*
vi) Other financial assets	**14B**		**185.41**		*1,022.15*
				11,062.92	*19,858.59*
Other current assets	**15B**			**2,894.69**	*2,078.03*
				13,957.61	*21,936.62*
Assets classified as held for sale	**16A**			**5,071.79**	*38.62*
Assets pertaining to discontinued operations	**16B**			**5,422.05**	*88,156.58*
Total Current assets				**44,608.96**	*1,28,749.96*
Total Assets				**79,716.16**	*2,04,288.50*

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2022 -Continued

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2022 ₹ in Lakhs	*As at 31st Mar., 2021 ₹ in Lakhs*
Equity and Liabilities					
Equity					
Equity share capital	**17**		**1,289.86**		*1,289.86*
Other equity	**18**		**6,968.63**		*(15,392.32)*
Equity attributable to owners of the Company				**8,258.49**	*(14,102.46)*
Non-controlling interests	**51**			**(20.25)**	*6,443.31*
Total Equity				**8,238.24**	*(7,659.15)*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**21**	**6,734.51**			*17,028.78*
ii) Lease liability	**64**	**1,190.37**			*1,152.71*
iii) Other financial liabilities	**22A**	**250.00**			*626.43*
			8,174.88		*18,807.92*
Provisions	**19A**		**1,058.63**		*748.72*
Deferred tax liabilities (net)	**23B**		**767.78**		*718.06*
Total Non-current liabilities				**10,001.29**	*20,274.70*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**25**	**20,782.83**			*33,568.54*
ii) Trade payables	**26**				
a) total outstanding dues of micro enterprises and small enterprises; and		**1,366.95**			*1,431.12*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		**6,727.40**			*8,421.89*
iii) Lease liability	**64**	**502.71**			*551.49*
iv) Other financial liabilities	**22B**	**2,806.82**			*3,652.09*
			32,186.71		*47,625.13*
Provisions	**19B**		**966.34**		*1,376.85*
Current tax liabilities (net)	**27**		**173.52**		*262.19*
Other current liabilities	**24**		**23,193.05**		*13,658.93*
Liabilities pertaining to discontinued operations	**16C**		**4,957.01**		*1,28,749.85*
Total Current Liabilities				**61,476.63**	*1,91,672.95*
Total Liabilities				**71,477.92**	*2,11,947.65*
Total Equity and Liabilities				**79,716.16**	*2,04,288.50*

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

Place: Mumbai
Date: 30th May, 2022

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 : 0526191

Place: Mumbai
Date: 30th May, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

Particulars			Note No.	₹ in Lakhs	Year Ended 31st Mar.,2022 ₹ in Lakhs	*Year Ended 31st Mar., 2021 ₹ in Lakhs*
I	Revenue from operations		28	51,472.57		*93,242.26*
II	Other income		29	3,444.26		*7,329.79*
III	**Total Income (I + II)**				**54,916.83**	*1,00,572.05*
IV	**Expenses:**					
	Real estate development costs		30	2,511.49		*4,602.38*
	Cost of materials consumed		31A	8,383.93		*6,732.34*
	Purchases of stock-in-trade			7,298.50		*5,805.68*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade, spares and accessories		31B	(1,866.03)		*23,626.05*
	Employee benefits expense		32	17,290.16		*21,392.76*
	Finance costs		33	4,203.22		*5,159.07*
	Depreciation, amortisation and impairment expense		34	4,143.63		*6,812.56*
	Other expenses		35	12,910.44		*17,320.27*
	Total expenses (IV)				**54,875.34**	*91,451.11*
V	**Profit/ (Loss) before exceptional items, share of net profit of investment accounted for using equity method and tax (III - IV)**				**41.49**	*9,120.94*
VI	**Add: Share of profit of joint ventures and associates accounted for using equity method**				**1,204.45**	*482.74*
VII	**Profit/ (Loss) before exceptional items and tax (V + VI)**				**1,245.94**	*9,603.68*
VIII	**Exceptional items - Income /(Expense)**		36		**(35,021.36)**	*(12,597.36)*
IX	**(Loss) before tax for the year (VII + VIII)**				**(33,775.42)**	*(2,993.68)*
X	**Tax expense/ (credit):**					
	(a)	Current tax (Net of MAT credit utilised of ₹ Nil (Previous Year ₹ 651.46 Lakhs) and including prior period charge/ credit of ₹ 1.95 Lakhs (Previous Year ₹ 0.99 Lakhs))	37	392.43		*436.26*
	(b)	Deferred tax	37	(1,420.54)		*5,587.72*
					(1,028.11)	*6,023.98*
XI	**(Loss) after tax for the year (IX - X)**				**(32,747.31)**	*(9,017.66)*
XII	**<u>Discontinued operations</u>**					
	(Loss) before tax from discontinued operations				**4,57,305.48**	*(653.16)*
	Tax expense				**(2,078.58)**	*(1,989.59)*
	(Loss) for the year from discontinued operations				**4,55,226.90**	*(2,642.75)*
	(Loss) for the year (XI + XII)				**4,22,479.59**	*(11,660.41)*
XIII	**Other Comprehensive Income**					
	A (i)	**Items that will not be reclassified to Statement of Profit and Loss**				
	(a)	Remeasurement of the defined benefit plans			**(206.57)**	*(69.28)*
	(b)	Share of other comprehensive income in associates and joint ventures, to the extent not to be reclassified to profit or loss			**-**	*(0.28)*
	(c)	Equity instruments through other comprehensive income			**9,766.73**	*-*
	(d)	Income Tax relating to the above items			**59.22**	*12.48*
					9,619.38	*(57.08)*
	B (i)	**Items that may be reclassified to Statement of Profit and Loss**				
	(a)	Exchange differences in translating the financial statements of foreign operations			**(3,119.66)**	*2,304.89*
					(3,119.66)	*2,304.89*
	Total Other Comprehensive Income				**6,499.72**	*2,247.81*
XIV	**Total Comprehensive Income/ (Loss) for the year (XII + XIII)**				**4,28,979.31**	*(9,412.60)*

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Particulars		Note No.	₹ in Lakhs	Year Ended 31st Mar.,2022 ₹ in Lakhs	*Year Ended 31st Mar., 2021 ₹ in Lakhs*
XV	**(Loss) for the year attributable to:**				
	- Owners of the Company			**4,22,585.00**	*(7,766.58)*
	- Non-controlling interests			**(105.41)**	*(3,893.83)*
				4,22,479.59	*(11,660.41)*
XVI	**Other Comprehensive Income for the year attributable to:**				
	- Owners of the Company			**6,499.73**	*2,248.70*
	- Non-controlling interests			**(0.01)**	*(0.89)*
				6,499.72	*2,247.81*
XVII	**Total Comprehensive Income/ (Loss) for the year attributable to:**				
	- Owners of the Company			**4,29,084.73**	*(5,517.88)*
	- Non-controlling interests			**(105.42)**	*(3,894.72)*
				4,28,979.31	*(9,412.60)*
XVIII	**Earning per equity share**				
	Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - continuing operations	**38**		**(256.37)**	*(40.24)*
	Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - discontinued operations	**38**		**3,575.39**	*(20.76)*
	Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - continuing and discontinued operations	**38**		**3,319.02**	*(61.00)*

Significant Accounting Policies 2
The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors
MAHESH. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 0526191

Place: Mumbai
Date: 30th May, 2022

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022

	Year Ended 31st Mar., 2022 ₹ in Lakhs		*Year Ended 31st Mar., 2021 ₹ in Lakhs*	
Cash flows from operating activities				
Profit/(Loss) before tax from continuing and discontinued operations		**4,23,530.06**		*(3,646.84)*
Adjustments for -				
Depreciation and amortisation expense	**6,669.23**		*9,741.69*	
Post acquisition share of (profit) of Associate and Joint Venture (using Equity Method)	**(1,204.45)**		*(833.78)*	
Interest income earned on financial assets that are not designated as at fair value through profit or loss:				
i) Bank deposits	**(100.41)**		*(119.93)*	
ii) Interest income from financial assets and others at amortised cost	**(7.01)**		*(27.46)*	
Interest on Income Tax/ Wealth Tax refund	**-**		*(327.87)*	
Finance costs	**6,591.95**		*8,683.71*	
(Gain) on disposal of Property, plant and equipment	**(592.99)**		*(1,656.91)*	
(Gain) on disposal of Right-of-use assets	**(70.55)**		*(17.96)*	
(Gain) on disposal/ fair valuation of current investments	**(202.80)**		*(219.54)*	
(Gain) due to loss of control in subsidiaries	**-**		*(3,113.23)*	
Loss on write off of Property, plant and equipment due to deconsolidation of subsidiary	**-**		*1,055.43*	
Provision/ write offs (net) for trade receivables and advances	**2,445.69**		*6,690.08*	
Credit balances / excess provision written back	**(285.33)**		*(70.09)*	
Recovery of bad debts	**(79.01)**		*-*	
Net foreign exchange (gain)/loss including effect of exchange difference on consolidation of foreign entities	**(1,897.43)**		*1,852.05*	
		11,266.89		*21,636.19*
Exceptional items:				
- Loss on sale of shipping vessels	**-**		*4,610.52*	
- Provision for disputed matters	**230.19**		*-*	
- Provision for shortfall in expected recoverable value of assets sold/ loss on sale of assets	**663.90**		*-*	
- Impairment of Goodwill/ Investment in Joint Venture	**33,767.32**		*979.00*	
- Gain on capital reduction of Shapoorji Pallonji Forbes Shipping Limited (SPFSL)	**(792.71)**		*-*	
- Impact of loss of control of SPFSL	**(166.68)**		*-*	
- Provision for slow-moving damaged or obsolete inventories	**1,157.84**		*451.00*	
- Provision for impairment of certain intangible assets and intangible assets under development - continuing operations	**161.49**		*6,556.59*	
- Provision for impairment of certain intangible assets and intangible assets under development - discontinued operations	**-**		*789.25*	
- Notional gain on distribution of demerged undertaking to owners	**(4,52,928.87)**		*-*	
		(4,17,907.52)		*13,386.36*
		(4,06,640.63)		*35,022.55*
Operating profit before working capital changes		**16,889.43**		*31,375.71*
Changes in working capital:				
Movements in working capital:				
(Increase)/Decrease in trade and other receivables	**2,130.12**		*3,671.46*	
(Increase)/Decrease in inventories	**(5,579.76)**		*24,592.33*	
(Increase)/Decrease in other loans and advances	**5.13**		*(1,526.91)*	
(Increase)/Decrease in other financial assets	**627.30**		*379.95*	
(Increase)/Decrease in other assets	**598.91**		*338.35*	
Increase/ (Decrease) in trade and other payables	**(3,742.15)**		*(3,853.93)*	
Increase/ (Decrease) in other financial liabilities	**4,871.65**		*395.98*	
Increase/ (Decrease) in provisions	**(296.92)**		*(115.79)*	
Increase/ (Decrease) in other liabilities	**7,142.94**		*(18,786.45)*	
		5,757.22		*5,094.99*
Cash generated from operations		**22,646.65**		***36,470.70***
Income taxes paid (net of refunds)		**(2,574.65)**		*121.61*
(a) Net cash flow generated from operating activities		**20,072.00**		*36,592.31*
Cash flows from investing activities:				
Payments for Property, plant and equipment including assets held for sale (net of capital creditors and including capital advances, capital work-in-progress, investment properties and intangible assets)	**(5,919.54)**		*(2,573.23)*	
Advances received in relation to assets held for sale	**4,000.00**		*-*	
Proceeds from disposal of Property, plant and equipment (including investment properties and intangible assets)	**868.35**		*15,381.03*	
Payments for acquisition of investment in subsidiaries	**-**		*(2,124.15)*	
Purchase of current investments	**(8,500.50)**		*(20,926.50)*	
Proceeds from sale of current investments	**11,191.32**		*16,226.80*	
Proceeds from sale of investments in joint venture	**777.24**		*-*	
Proceeds from sale of investments in others	**-**		*11.43*	
Inter-corporate deposits given	**(750.00)**		*(2,000.00)*	

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

		Year Ended 31st Mar., 2022 ₹ in Lakhs		*Year Ended 31st Mar., 2021 ₹ in Lakhs*	
	Inter-corporate deposits received	**500.00**		*2,000.00*	
	Bank balances not considered as cash and cash equivalents	**897.54**		*1,570.43*	
	Interest received	**147.08**		*140.09*	
(b)	**Net cash flow generated from/(used in) investing activities**		**3,211.49**		*7,705.90*
Cash flows from financing activities:					
	Proceeds from borrowings	**2,019.80**		*8,412.74*	
	Repayment of borrowings	**(16,943.17)**		*(35,302.90)*	
	Net increase/ (decrease) in Cash credit facilities, Buyers Credit, Overdraft facility and Loans repayable on demand	**(4,249.46)**		*(1,229.00)*	
	Finance costs paid	**(6,143.30)**		*(8,160.20)*	
	Payment of Lease Liabilities	**(1,586.95)**		*(1,892.01)*	
	Expenses on Issue of Shares by subsidiary	**(47.50)**		-	
	Tax Paid on Buyback by subsidiary	**(86.19)**		-	
	Amount Paid on buyback of shares by subsidiary to non-controlling interest	**(388.50)**		-	
	Amount Paid on capital reduction by subsidiary to non-controlling interest	**(86.63)**		-	
	Dividend paid on equity shares	**(0.18)**		*(1.34)*	
(c)	**Net cash flow generated from/ (used) in financing activities**		**(27,512.08)**		*(38,172.71)*
(d)	**Net increase/ (decrease) in cash and cash equivalents (a + b + c)**		**(4,228.59)**		*6,125.50*
(e)	**Cash and cash equivalents as at the commencement of the year**		**8,358.84**		*3,452.69*
(f)	**Cash and cash equivalents on disposal of subsidiaries and demerger of business (net)**		**(2,308.48)**		*(1,195.59)*
(g)	**Effects of exchange rate changes on cash and cash equivalents**		**-**		*(23.76)*
(h)	**Cash and cash equivalents as at the end of the year (d + e + f + g) (Refer Note 13A)**		**1,821.77**		*8,358.84*

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

Cash and cash equivalents as per above comprise of the following	**31st Mar., 2022 ₹ in Lakhs**	*31st Mar., 2021 ₹ in Lakhs*
Balances with Banks		
- In current accounts	**1,669.05**	*3,487.05*
- In EEFC accounts	**61.65**	*141.83*
Deposits accounts (with original maturity upto 3 months)	**-**	*2,199.03*
Cheques, drafts on hand	**-**	*11.06*
Cash on hand	**0.06**	*0.45*
Cash and cash equivalents	**1,730.76**	*5,839.42*
Cash and cash equivalents held under assets pertaining to discontinued business (Refer Note 16B)	**91.01**	*2,519.42*
Balances as per statement of cash flows	**1,821.77**	*8,358.84*

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
2. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.
3. Other bank balances (Refer Note 13B) at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 24.30 Lakhs *(Previous Year ₹ 24.48 Lakhs)* and (ii) margin money deposits ₹ 260.00 Lakhs *(Previous Year ₹ 235.04 Lakhs)* includes as security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Group.
4. The interest paid during the year excludes interest expense on loans for real estate development activites amounting to ₹ 53.00 Lakhs *(Previous Year ₹ 363.49 Lakhs)*.

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

Place: Mumbai
Date: 30th May, 2022

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: 30th May, 2022

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance as at 31st Mar., 2020	1,289.86
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2021	1,289.86
Changes in equity share capital during the year	-
Balance as at 31st Mar., 2022	1,289.86

b. Other equity

₹ in Lakhs

Particulars	Equity component of compound financial instruments	Treasury Shares	Reserves and surplus									Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total
			Capital reserve	Capital reserve on merger *	Capital contribution reserve	Securities premium reserve	Capital 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			
Balance as at 31st March, 2020	*894.42*	*(32.55)*	*158.25*	-	*493.54*	*161.76*	-	*42,594.28*	*1,221.43*	*(58,359.04)*	*(13,729.78)*	*(224.11)*	*2,987.28*	*2,763.17*	*(10,104.74)*	*9,850.04*	*(254.70)*
Profit/ (loss) for the year	-	-	-	-	-	-	-	-	-	*(7,766.58)*	*(7,766.58)*	-	-	-	*(7,766.58)*	*(3,893.83)*	*(11,660.41)*
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	*(57.08)*	*(57.08)*	-	*2,305.78*	*2,305.78*	*2,248.70*	*(0.89)*	*2,247.81*
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	*(7,823.66)*	*(7,823.66)*	-	*2,305.78*	*2,305.78*	*(5,517.88)*	*(3,894.72)*	*(9,412.60)*
Exchange difference on translation of foreign operations arising during the year	-	-	-	-	-	-	-	-	-	*0.22*	*0.22*	-	-	-	*0.22*	-	*0.22*
Adjustment on conversion of Joint Venture into Subsidiary	-	-	*227.88*	-	-	-	*25.00*	*255.00*	-	*(277.80)*	*230.08*	-	-	-	*230.08*	*487.99*	*718.07*
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instruments through FVOCI	-	-	-	-	-	-	-	-	-	*(58.81)*	*(58.81)*	*58.81*	-	*58.81*	-	-	-
Balance as at 31st March, 2021	**894.42**	**(32.55)**	**386.13**	-	**493.54**	**161.76**	**25.00**	**42,849.28**	**1,221.43**	**(66,519.09)**	**(21,381.95)**	**(165.30)**	**5,293.06**	**5,127.76**	**(15,392.32)**	**6,443.31**	**(8,949.01)**
Profit/ (Loss) for the year	-	-	-	-	-	-	-	-	-	**4,22,585.00**	**4,22,585.00**	-	-	-	**4,22,585.00**	**(105.41)**	**4,22,479.59**
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	**(147.35)**	**(147.35)**	**9,766.73**	**(3,119.65)**	**6,647.08**	**6,499.73**	**(0.01)**	**6,499.72**
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	**4,22,437.65**	**4,22,437.65**	**9,766.73**	**(3,119.65)**	**6,647.08**	**4,29,084.73**	**(105.42)**	**4,28,979.31**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Particulars	Equity component of compound financial instruments	Treasury Shares	Reserves and surplus									Items of other comprehensive income			Attributable to owners of the parent	Non-controlling interests	Total
			Capital reserve	Capital reserve on merger *	Capital contribution reserve	Securities premium reserve	Capital 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			
Expenses related to issue of shares by a subsidiary	-	-	-	-	-	-	-	-	-	(47.50)	(47.50)	-	-	-	(47.50)	-	(47.50)
Tax on account of Capital reduction by subsidiary	-	-	-	-	-	-	-	-	-	(76.28)	(76.28)	-	-	-	(76.28)	(9.91)	(86.19)
Shares bought back by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(388.50)	(388.50)
Capital Reduction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(86.63)	(86.63)
Effect of Loss of Control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6,018.88)	(6,018.88)
Effect of Demerger of Health, Hygeine and Safety business	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(125.94)	(125.94)
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271.72	271.72
Deemed Dividend (Notional) (Refer Note 66)	-	-	-	-	-	-	-	-	-	(4,06,600.00)	(4,06,600.00)	-	-	-	(4,06,600.00)	-	(4,06,600.00)
Balance as at 31st March, 2022	894.42	(32.55)	386.13	-	493.54	161.76	25.00	42,849.28	1,221.43	(50,805.22)	(5,668.08)	9,601.43	2,173.41	11,774.84	6,968.63	(20.25)	6,948.38

* 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

Place: Mumbai
Date: 30th May, 2022

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: 30th May, 2022

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

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 ("the Group") includes Health, Hygiene, Safety Products and its services, manufacturing and sale of engineering products, real estate development project and leasing of premises, IT Enabled Services and Products and Shipping and Logistics Services. The address and registered office and principal place of business are disclosed in the Annual Report.

2. SIGNIFICANT ACCOUNTING POLICIES:

2(i) 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 (ii) 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Subsidiaries:

The list of subsidiary companies which are included in the consolidated financial statements and the Group's holdings therein are as under:

Sr No.	Name of the Company	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%) As at 31st Mar., 2022	*As at 31st Mar., 2021*
1	- Eureka Forbes Limited	1	India	-	*100.00*
	- Aquaignis Technologies Private Limited	1	India	-	*100.00*
	- Forbes Lux International AG		Switzerland	**100.00**	*100.00*
	- Lux International AG		Switzerland	**100.00**	*100.00*
	- Lux del Paraguay S.A.	2	Paraguay	**80.00**	*80.00*
	- Lux Schweiz AG		Switzerland	**100.00**	*100.00*
	- Lux (Deutschland) GmbH (ceased to be subsidiary from 8th May 2020)		Germany	-	-
	- Lux International Services and Logistics GmbH (formerly Lux Service GmbH)		Germany	**100.00**	*100.00*
	- Lux Norge A/S (ceased to be subsidiary from 1st January 2021)		Norway	-	-
	- Lux Osterreich GmbH		Austria	**100.00**	*100.00*
	- Lux Hungária Kereskedelmi Kft.		Hungary	**100.00**	*100.00*
	- LIAG Trading & Investment Ltd. (liquidated w.e.f. 31.03.2021)		UAE	-	*100.00*
	- Lux Welity Polska Sp z o o		Poland	**100.00**	*100.00*
	- Lux Professional Paraguay S.A.(formerly Lux Aqua Paraguay S.A)		Paraguay	**100.00**	*100.00*
	- EFL Mauritius Limited		Mauritius	**100.00**	*100.00*
	- Euro Forbes Financial Services Limited	1	India	-	*100.00*
	- Euro Forbes Limited	1	UAE	-	*100.00*
	- Forbes Lux FZCO	1	UAE	-	*100.00*
	- Forbes Facility Services Private Limited		India	**100.00**	*100.00*
	- Forbes Enviro Solutions Limited	1	India	-	*100.00*
	- Forbes Aquatech Limited (subisidiary w.e.f. 28th August 2020)	1	India	-	*66.67*
	- Infinite Water Solution Private Limited (subisidiary w.e.f. 31st March 2021)	1	India	-	*100.00*
2	Forbes Campbell Finance Limited and its subsidiaries:		India	**100.00**	*100.00*
	- Forbes Campbell Services Limited		India	**98.00**	*98.00*
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 (Upto 28th February, 2022)	3	India	-	*25.00*
6	Campbell Properties & Hospitality Services Limited		India	**100.00**	*100.00*

Footnotes:

1 Pursuant to composite scheme of arrangement as decribed in note 66, the Company is not a subsidary as on 31st March, 2022

2 The share capital was increased by Lux International unilaterally and share percentage increased to 80% as at 31st October, 2019. Full consolidation remained as operational lead is still ongoing.

3 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 upto 28th February, 2022 due to the Group's ability to appoint majority of directors on the Board of SPFSL. However, pursuant to termination of the joint venture agreement between the shareholders of SPFSL during the year, SPFSL ceases to be subsidiary of the Group w.e.f. 1st March, 2022 and now stands as an associate.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956.

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., 2022	*As at 31st Mar., 2021*
1	Forbes Concept Hospitality Services Private Limited	1	India	**50.00**	*50.00*
2	AMC Cookware (Proprietary) Limited (Upto December 2021) $	2	South Africa	**-**	*50.00*
3	Forbes Bumi Armada Limited	3	India	**51.00**	*51.00*

Footnotes:

1 Joint ventures of Forbes and Company Limited.
2 Joint venture of Lux International AG.
3 Joint venture of Forbes Campbell Finance Limited
$ Reporting date is 31st December, 2020
* The Financial Statement of the following associates are considered in the Consolidated Financial Statement

Sr No.	Name of the Entity	Refer Footnote No.	Incorporated In	Percentage of Holding and Voting power either directly or indirectly through subsidiary (%) As at 31st Mar., 2022	*As at 31st Mar., 2021*
1	Euro P2P Direct (Thailand) Co. Limited * (Refer Note 66)	1	Thailand	**-**	*49.00*
2	Nuevo Consultancy Services Private Limited		India	**49.00**	*49.00*
3	Dhan Gaming Solution (India) Private Limited		India	**49.00**	*49.00*
4	Shapoorji Pallonji Forbes Shipping Limited (w.e.f. 1st March, 2022)		India	**25.00**	-

* Investment in above associate has been fully provided. Losses (if any), in excess of the investment made by the group have not been provided since the group has not incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the group has guaranteed or to which the group is otherwise committed. Therefore, no amounts have been included in the consolidated financial statements on account of this associate in the previous year.

Footnotes:

1 Pursuant to composite scheme of arrangement as decribed in note 66, the Company is not an associate as on 31st March, 2022

2(iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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 losses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Statement of Profit and Loss from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of the subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The excess of cost of investment in the subsidiary over the Group's portion of equity of the subsidiary, at the date on which investment is made, is recognised in the consolidated financial statements as Goodwill on Consolidation.
The excess of Group's portion of equity of the subsidiary over the cost of the investments by the Group, at the date on which investments is made, is treated as Capital Reserve on Consolidation.

Non-controlling Interests in the net assets of the subsidiaries consist of :

(i) The amount of equity attributable to non-controlling interest at the date on which investment is made; and

(ii) The non-controlling interest's share of movements in the equity since the date the parent-subsidiary relationship came into existence. The losses applicable to the non-controlling interest in a consolidated subsidiary may exceed the non-controlling interest in the equity of subsidiary. The excess, and any further losses applicable to the non-controlling interest, are adjusted against the controlling interest except to the extent that the non-controlling interest has a binding obligation to, and is able to, make good the losses.

Figures pertaining to the subsidiaries have been reclassified wherever necessary to bring them in line with the Company's financial statements.

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(iv) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquired business and the equity interests issued by the Group and fair value of any asset/ liability resulting from contingent consideration arrangement in exchange of control of the acquired business. Acquisition-related costs are generally recognised in Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payment at the acquisition date ; and
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that Ind AS requires for the purposes of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Ind AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case maybe. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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.

The Goodwill/Capital Reserve is determined separately for each subsidiary company and such amounts are not set off between different entities.

2(v) 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, 2022, other than Euro Forbes Ltd., Forbes Lux International AG, Lux International AG, Lux Schweiz AG, Lux International Services and Logistics GmbH, Lux Norge A/S, Lux Osterreich GmbH, Lux Hungária Kereskedelmi Kft., Forbes Lux FZCO, AMC Cookware (Proprietary) Limited, Lux Del Paraguay S.A., LIAG Trading & Investment Ltd., Lux Professional Paraguay S.A. (formerly Lux Aqua Paraguay SA), Lux Welity Polska Sp z o o, whose reporting dates are 31st December, 2021. 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.

Foreign Subsidiaries

The consolidated financial statements includes ten subsidiaries (previous year: thirteen 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(vi) Investments in associates and joint ventures

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

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. When necessary, adjustments are made to the financial statements of associates and joint ventures to bring their accounting policies into line with the Group's accounting policies. All intra Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with Ind AS 109. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2(vii) 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	
	- Owned	5-15 years
	- Leased	6 years

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c	Furniture and Fixtures	2-10 years
d	Vehicles	3-5 years
e	Office equipments	3-5 years
f	Data processing equipments:-	
	- Owned and leased	3-6 years
g	Buildings on leasehold land (including Investment Properties)	Lower of the useful life in the range of 30 - 60 years and the lease term
h	Shipping vessels	20 years
i	Temporary structures (included in building)	4 years
j	Drydock expenses incurred on Intermediate survey (included in Shipping vessels)	2.5 years
k	Drydock expenses incurred on Special survey (included in Shipping vessels)	5 years
l	Solar Power Plant (included in Plant and Equipment)	25 years
m	Leasehold Land	Over the period of lease
n	Leasehold Improvements	Over the period of lease

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

2(viii)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(ix) 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(x) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. The cost of an intangible asset comprises its purchase price (net of any trade discounts and rebates), implementation cost for internal use (including software coding, installation, testing and certain data conversion) and any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

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

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

Indirect development costs for products are charged to Statement of Profit and Loss in the year in which incurred. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate economic benefits, the availability of resources to complete the 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 - 7 years
c	Brand Names / Trademarks	3 - 5 years
d	Product Development expenditure and Other Intangible assets	On straight line basis over the best estimate of their useful lives basis expected future benefits but not exceeding 10 years
e	Technical know-how	5 years

2(xi) 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(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, stores and spares and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss for 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.

2(xiii)Deemed cost for property, plant and equipment, investment properties and intangible assets

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

2(xiv)Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

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

Financial assets

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

Classification

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

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss. Interest income is recognised in the Statement of Profit and Loss and is included in “Other income”.

Investments in equity instruments at FVOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the ‘Reserve for equity instruments through other comprehensive income’.

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

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

Impairment of financial assets

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

For trade receivables or any contractual right to receive cash or another financial asset that result from revenue transactions, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

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

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

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

Equity instruments

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

Compound financial instruments

The component parts of compound financial instruments (preference shares) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the preference shares, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option. Transaction costs that relate to the issue of the preference shares are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the preference shares using the effective interest method.

Financial liabilities

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

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

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. A substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

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

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

2(xv) Borrowing Cost

Borrowing costs includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

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

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

2(xvi) 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(xvii) 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. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate pre-tax discount factor. 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(xviii) Earnings Per Share

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

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

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

2(xix)Revenue Recognition

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

A. Revenue from real estate contracts

In respect of real estate development projects undertaken by the Group, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revenue over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customers acceptance of the real estate units. Considering the terms of the contract, revenue is recognised at a point in time when:

- The Company has transferred to the customer all significant risk and rewards of ownership and the Company retains no effective control of the real estate unit to a degree usually associated with ownership;
- The Company has handed over possession of the real estate unit to the customer or deemed possession based on the contract with the customer;
- No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the real estate unit;
- It is not unreasonable to expect ultimate collection of revenue from customer

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers

B. Sale of goods:

Revenue from the sale of goods is recognised when control of the products has been transferred based on agreed terms and there is no unfulfilled obligation which could affect the customers acceptance of the products.

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Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

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

A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. In relation to certain contracts where installation services are provided by the group, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between group and customers.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience. Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component
b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred

c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

C. Sale of services:

a) Charter hire earnings are recognized as the service is performed and accrued on time basis as per terms stated in pool agreement.

b) Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties. For fixed price contracts, revenue is recognised based on actual service provided to the end of the reporting period as a proportion of the total services to be provided.

c) Commission income is recognised as per terms of agreement with repective party and in the period in which services are rendered.

Unbilled revenue with respect to Maintenance Contract is recognised to the extent not billed at the year end and unbilled revenue from sale of customised software is recognised to the extent of stage of completion of development.

D. Income from Recharge sales

Revenue on sale of recharge recognised when the pins are downloaded by the customer. The Group recognises revenue at gross amount of recharge sale where it is acting as principal and revenue is recognised to the extent of commission amount where the Group is acting as an agent as per the terms of agreements with various distributors.

E. 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).

F. Export Incentives:

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

2(xx)Employee Benefits

a) <u>Short-term employee benefits</u>

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)/ Others.

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 Employees Provident Fund. The rate at which the annual interest is payable to the beneficiaries by the Trust is being determined by the Government. The Group has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. Any obligation in this respect is measured on the basis of an independent actuarial valuation. The remaining portion is contributed to the Government administered pension fund in respect of which the Group has no further obligations. Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in the future payments are available.

The present value of the defined benefit obligation in respect of gratuity, post-retirement medical benefits and non-compete fees plans is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

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

In the case of subsidiary namely Eureka Forbes Limited, the subsidiary operates a defined benefit gratuity plan for employees. The subsidiary contributes to a separate trust administered by the subsidiary towards meeting the Gratuity obligation. The subsidiary's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report , which comprise actuarial gains and losses are recognised in OCI.

Pension policy

Lux Group companies operate various pension schemes. The schemes are generally funded by payments to insurance companies or trustee-administered funds. There are two different categories of such pension schemes:

- Swiss pension plans
- Foreign pension plans

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 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(xxi) 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.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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. The Group recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Group will be liable to pay normal income tax during the specified period.

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, Shapoorji Pallonji Forbes Shipping Limited (subsidiary) has opted for computation of it’s income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed Tonnage Income of the Group and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the subsidiary are not material, in view of which deferred taxation is not considered as necessary.

2(xxii) Lease Accounting

As a lessee:

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The Group has entered into lease arrangements as a lessee for premises for operating customer relationship center, guest houses, head office and regional offices, residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods and vehicles. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Contracts may contain both lease and non lease components. The Group allocates the consideration in the contracts to the lease and non-lease components based on their relative standalone prices. However, the Group has elected not to separate lease and non-lease components and instead account for these as a single lease components.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substances fixed payments), less any lease incentive receivable

- the exercise price of the purchase option if the Group is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third party financing received by the lessee as a starting point, adjusted to reflects changes in financing condition since third party financing received
- use a build-up approach that starts with the risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and

- make adjustments specific to the leases, e.g. term, security, currency etc.

The Group is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate."

Lease payments are allocated between principal and finance cost. Finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received

- any initial direct costs, and

- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Group is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis in the Statement of Profit and Loss. Short term leases are leases with a lease term of 12 months or less.

As a lessor:

Lease income from operating leases where the Group is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating leases are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

2(xxiii) 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(xxiv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Warranties

Provisions for the expected cost of warranty obligations under local sale of good legislations are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure required to settle the Group's obligation."

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflow of resources embodying economic benefits are remote.

2(xxv) 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 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 Statement Profit and Loss on disposal.

2(xxvi) Government Grants

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

2(xxvii) 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(xxviii) 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(xxix) 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(xxx) 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.

2(xxxi) Discontinued Operations

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of or is classified as held for sale and represents:

a. A separate major line of business or geographical area of operations or

b. Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or

c. Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

The Company re-presents the aforesaid disclosures in respect of discontinued operations for all prior periods presented in the financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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:

The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Group has an enforceable right to payment as per requirements of Ind AS 115 involves significant judgement.

3.2.2 Contingent Liabilities and Provisions

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

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

As described in Notes 2.7, 2.9 and 2.10, the Group reviews the estimated useful life and residual values of property, plant and equipment, intangibles and investment properties at each reporting date.

3.2.4 Fair value measurement and valuation process

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

3.2.5 Impairment of Goodwill on consolidation

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

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.2.7 Defined Benefit Obligations

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

3.2.8 Deferred Tax Asset

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Group recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Group will be liable to pay normal income tax during the specified period.

3.2.9 Refund Liabilities

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the group using a best estimate based on accumulated experience.

3.2.10 Intangible assets under development

The Group capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

3.3 ADOPTION OF NEW AND AMENDED ACCOUNTING STANDARDS

(i) New and amended standards adopted by the Group

The Group has applied following amendments to Ind AS for the first time effective April 1, 2021.

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107,

Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognized in prior periods or current period and are not expected to significantly affect the future periods.

(ii) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. The Group is in the process of evaluating the impacts of the above amendments.

(iii) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Group has changed the classification/ presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

4. Property, Plant and Equipment (own, unless otherwise stated)

₹ in Lakhs

Particulars	Freehold Land	Leasehold Improvements	Buildings	Plant and Equipment (Owned)	Plant and Equipment (Given On Operating Lease)	Furniture and Fixtures	Vehicles	Office Equipments	Data Processing Equipments	Shipping Vessels	Total
Cost or Deemed cost											
Balance as at 31st Mar., 2020	**38.62**	**-**	**5,488.48**	**8,211.81**	**-**	**1,456.80**	**61.18**	**286.28**	**986.02**	**45,488.43**	**62,017.62**
Additions	-	-	*28.10*	*220.66*	-	*146.74*	-	*1.71*	*2.88*	*62.31*	*462.40*
Transferred to Asset Held for sale	*(38.62)*	-	-	-	-	-	-	-	-	-	*(38.62)*
Effect of foreign currency exchange difference	-	-	*19.11*	-	-	*(27.46)*	-	-	-	-	*(8.35)*
Disposals	-	-	*(114.53)*	*(52.88)*	-	*(277.37)*	-	*(11.99)*	*(0.21)*	*(26,164.07)*	*(26,621.05)*
Balance as at 31st Mar., 2021	**-**	**-**	**5,421.16**	**8,379.59**	**-**	**1,298.71**	**61.18**	**276.00**	**988.69**	**19,386.67**	**35,812.00**
Additions	**-**	**-**	**180.53**	**833.29**	**-**	**82.41**	**44.62**	**6.08**	**182.09**	**1,344.73**	**2,673.75**
Transferred from investment property	**-**	**-**	**53.58**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**53.58**
Effect of foreign currency exchange difference	**-**	**-**	**(39.46)**	**-**	**-**	**(5.97)**	**-**	**-**	**-**	**-**	**(45.43)**
Deconsolidated on Loss of Control	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(20,731.40)**	**(20,731.40)**
Disposals	**-**	**-**	**(679.37)**	**(75.41)**	**-**	**(85.58)**	**(34.31)**	**(14.69)**	**(141.82)**	**-**	**(1,031.18)**
Balance as at 31st Mar., 2022	**-**	**-**	**4,936.44**	**9,137.47**	**-**	**1,289.57**	**71.49**	**267.39**	**1,028.96**	**-**	**16,731.32**
Accumulated depreciation and Impairment											
Balance as at 31st Mar., 2020	**-**	**-**	**893.68**	**2,342.69**	**-**	**820.56**	**33.55**	**236.90**	**858.04**	**12,811.68**	**17,997.10**
Depreciation expense	-	-	*322.19*	*851.14*	-	*168.35*	*12.13*	*25.28*	*65.18*	*2,468.39*	*3,912.66*
Disposals	-	-	*(16.11)*	*(42.48)*	-	*(125.26)*	-	*(11.98)*	*(0.13)*	*(8,362.32)*	*(8,558.28)*
Effect of foreign currency exchange difference	-	-	*6.40*	-	-	*(36.39)*	-	-	-	-	*(29.99)*
Balance as at 31st Mar., 2021	**-**	**-**	**1,206.16**	**3,151.35**	**-**	**827.26**	**45.68**	**250.20**	**923.09**	**6,917.75**	**13,321.49**
Depreciation expense	**-**	**-**	**181.82**	**926.35**	**-**	**130.82**	**12.53**	**13.15**	**47.22**	**1,245.71**	**2,557.60**
Deconsolidated on Loss of Control	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(8,163.46)**	**(8,163.46)**
Disposals	**-**	**-**	**(591.24)**	**(36.17)**	**-**	**(72.47)**	**(34.31)**	**(14.30)**	**(140.33)**	**-**	**(888.82)**
Effect of foreign currency exchange difference	**-**	**-**	**(7.83)**	**-**	**-**	**(5.68)**	**-**	**-**	**-**	**-**	**(13.51)**
Transferred from investment property	**-**	**-**	**30.34**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30.34**
Balance as at 31st Mar., 2022	**-**	**-**	**819.25**	**4,041.53**	**-**	**879.93**	**23.90**	**249.05**	**829.98**	**-**	**6,843.64**
Carrying Amount											
Balance as at 31st Mar., 2022	**-**	**-**	**4,117.19**	**5,095.94**	**-**	**409.64**	**47.59**	**18.34**	**198.98**	**-**	**9,887.68**
Balance as at 31st Mar., 2021	-	-	*4,215.00*	*5,228.24*	-	*471.45*	*15.50*	*25.80*	*65.60*	*12,468.92*	*22,490.51*

Footnotes:

1 Plant and equipment includes assets that are jointly owned. (Carrying amount is Nil)
2 Data Processing Equipments includes equipments under lease having net carrying amount of ₹ 0.79 Lakhs *(Previous Year ₹ 6.49 Lakhs).*
3 Refer Note 65 for details of Property, Plant and Equipment pledged as security for the loans obtained from banks.

4.1 (a) Capital work-in-progress

₹ In Lakhs

Particulars	**As at 1st Apr., 2021**	**Additions**	**Amounts Capitalised ***	**As at 31st Mar., 2022**
Capital work in progress	**197.85**	**3,670.69**	**3,786.72**	**81.82**

Previous year

₹ In Lakhs

Particulars	*As at 1st Apr., 2020*	*Additions*	*Amounts Capitalised*	*As at 31st Mar., 2021*
Capital work in progress	*115.47*	*325.21*	*242.83*	*197.85*

* Includes ₹ 2,277.08 lakhs paid towards Urban Land (Ceiling & Regulation) Act, 1976 premium for assets held for sale. Also refer Note 16A.

(b) Capital work-in-progress - Ageing

Current year **₹ In Lakhs**

	Amounts in capital work-in-progress for				
	Less than one year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	81.82	-	-	-	81.82
Projects temporarily suspended	-	-	-	-	-
Total	81.82	-	-	-	81.82

Previous year **₹ In Lakhs**

	Amounts in capital work-in-progress for				
	Less than one year	*1-2 years*	*2-3 years*	*More than 3 years*	*Total*
Projects in progress	*197.85*	-	-	-	*197.85*
Projects temporarily suspended	-	-	-	-	-
Total	*197.85*	-	-	-	*197.85*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(c) Title deeds of immovable properties not held in the name of the company :

i) In case of the Company, title deeds of properties are as follows:

Description of property	Gross carrying value (Rs. in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company	Relevant line item in the Balance Sheet
Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company has not been carried out.	Property, plant and equipment and Investment Property
Lease rights for land and self-constructed building at Fort, Mumbai in the possession of the Company	1,129.42	Forbes Forbes Campbell & Co. Limited	No	39-55	The property is in the name of 'Forbes Forbes Campbell & Co. Limited' and the Company has made an application for renewal of lease, for which approval is awaited from authorities.	Investment Property
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company has not been carried out.	Property, plant and equipment and Investment Property
Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).	Investment Property
Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.	Investment Property

ii) In case of Forbes Campbell Finance Limited, a subsidiary of the Group, title deeds of one immovable property (investment property) agreegating to ₹ 4.08 (net book value) are not available with the subsidiary.

5. Right-of-use assets

₹ in Lakhs

Particulars	Premises	Land	Vehicles	Total
Cost or Deemed Cost				
Balance as at 1st Apr, 2020	2,440.06	23.61	602.58	**3,066.25**
Additions	138.90	-	194.01	332.91
Disposals	(487.87)	(4.57)	(101.06)	(593.50)
On account of business combination				-
Effect of foreign currency exchange difference	151.12	-	40.38	191.50
Balance as at 31st Mar., 2021	**2,242.21**	**19.04**	**735.91**	**2,997.16**
Additions	**599.37**	**-**	**378.91**	**978.28**
Disposals	**(343.91)**	**-**	**(101.80)**	**(445.71)**
On account of business combination				**-**
Effect of foreign currency exchange difference	**(67.04)**	**-**	**(21.72)**	**(88.76)**
Balance as at 31st Mar., 2022	**2,430.63**	**19.04**	**991.30**	**3,440.97**

Accumulated depreciation				
Balance as at 1st Apr, 2020	**597.54**	**0.16**	**239.49**	**837.19**
Depreciation expense for the year	456.58	0.12	145.59	602.29
Disposals	**(99.58)**	**(0.11)**	**-**	**(99.69)**
Balance as at 31st Mar., 2021	**954.54**	**0.17**	**385.08**	**1,339.79**
Depreciation expense for the year	**356.64**	**0.91**	**184.11**	**541.66**
On Account of business combination				**-**
Disposals	**(104.30)**	**-**	**-**	**(104.30)**
Balance as at 31st Mar., 2022	**1,206.88**	**1.08**	**569.19**	**1,777.15**

Carrying amount				
Balance as at 31st Mar., 2022	**1,223.75**	**17.96**	**422.11**	**1,663.82**
Balance as at 31st Mar., 2021	**1,287.67**	**18.87**	**350.83**	**1,657.37**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

6. Investment Properties (Own, unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Completed investment properties	**2,259.68**	*2,349.05*
Total	**2,259.68**	*2,349.05*

Cost or Deemed Cost		**₹ in Lakhs**
Balance as at 1st Apr., 2021/1st Apr., 2020	**2,726.64**	*2,836.51*
Transferred to Property, Plant and Equipment (refer Note 4)	**(53.58)**	-
Disposal	**(3.68)**	*(109.87)*
Balance as at 31st Mar., 2022/31st Mar., 2021	**2,669.38**	*2,726.64*

₹ in Lakhs

Accumulated depreciation and impairment		
Balance as at 1st Apr., 2021/1st Apr., 2020	**377.59**	*348.94*
Depreciation expense	63.25	*64.84*
Transferred to Property, Plant and Equipment (refer Note 4)	(30.34)	-
Disposal	(0.80)	*(36.19)*
Balance as at 31st Mar., 2022/31st Mar., 2021	**409.70**	*377.59*

₹ in Lakhs

Carrying amount		
Balance as at 31st Mar., 2022/31st Mar., 2021	**2,259.68**	*2,349.05*

Amount recognised in the Consolidated Statement of Profit and Loss for investment properties :

₹ in Lakhs

Description of assets	**Year ended March 31, 2022**	*Year ended March 31, 2021*
Direct operating expenses:		
- that generated rental income	**1,076.13**	*142.98*
- that did not generate rental income	**22.07**	*17.85*

Notes:

a. Investment properties (Cost) include: (i) Jointly owned Residential Premises including land aggregating ₹ 1,551.52 Lakhs (Previous Year ₹ 1,551.68 Lakhs); (ii) Shares in Co-operative Housing Societies, Association of apartment owners and in a Company ₹ 0.17 Lakh (Previous Year ₹ 0.17 Lakh).

b. Investment properties includes the rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 270.08 Lakhs (Previous year ₹ 308.66 Lakhs) of which ₹ 42.15 Lakhs (Previous year ₹ 48.17 Lakhs) has been disclosed under property, plant and equipment (Refer Note 4) for which the Company has made an application for renewal of lease and approval from authorities awaited thereon.

c. The title deeds of one immovable property (investment property) aggregating Rs. 4.08 Lakhs (net book value) are not available with FCFL, one of the subsidiary companies. However, property receipt of the particular immovable property issued by the local municipal corporation in the name FCFL.

d. Fair value measurement of the Group's investment properties

The fair value of the Group's investment properties as at 31st March, 2022 and *31st March, 2021* have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi, independent valuer not related to the Group. V.S. Modi is registered with the authority which governs the valuers in India, and 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 March, 2022 and *31st March, 2021* are as follows:

₹ in Lakhs

	Level 3	
Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Andhra Pradesh - Land	**28.51**	*28.51*
Delhi - Building	**1,052.52**	*1,014.95*
Gujarat - Land and Building	**545.95**	*501.74*
Kerala - Building	**193.75**	*180.00*
Maharashtra - Land and Building	**63,063.43**	*62,016.96*
Tamil Nadu - Land and Building	**313.84**	*270.77*
West Bengal - Building	**641.95**	*625.75*
Office Units located in India- Pune City	**160.00**	*153.00*
Karnataka - Building	**160.00**	*150.00*
Total	**66,159.95**	*64,941.68*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

7. Goodwill

₹ in Lakhs

	Level 3	
Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Cost (or deemed cost)	**57,727.94**	*58,830.52*
Accumulated impairment losses	**57,727.94**	*28,380.13*
Total	**-**	*30,450.39*

₹ in Lakhs

Cost or Deemed Cost	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Balance at beginning of year	**58,830.52**	*55,502.42*
Effect of foreign currency exchange differences (Refer Note 55)	**(1,102.58)**	*3,328.10*
Balance at end of year	**57,727.94**	*58,830.52*

₹ in Lakhs

Accumulated depreciation and impairment	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Balance at beginning of year	**28,380.13**	*27,401.13*
Impairment losses recognised in the year (Refer Note 55)	**29,347.81**	*979.00*
Balance at end of year	**57,727.94**	*28,380.13*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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., 2020	**-**	**4,698.22**	**-**	**708.17**	**10,633.92**	**136.76**	**16,177.07**
Additions	-	*46.53*	-	*14.80*	*698.84*	*184.32*	*944.49*
Disposal	-	*(1,750.13)*	-	-	-	*(8.05)*	*(1,758.18)*
Effect of foreign currency exchange difference	-	*1,117.52*	-	-	-	*23.48*	*1,141.00*
Balance as at 31st Mar., 2021	**-**	**4,112.14**	**-**	**722.97**	**11,332.76**	**336.51**	**16,504.38**
Additions	**-**	**42.18**	**-**	**49.45**	**-**	**91.95**	**183.58**
Disposal	**-**	**(80.14)**	**-**	**(56.16)**	**-**	**-**	**(136.30)**
Effect of foreign currency exchange difference	**-**	**(128.91)**	**-**	**-**	**-**	**4.48**	**(124.43)**
Balance as at 31st Mar., 2022	**-**	**3,945.27**	**-**	**716.26**	**11,332.76**	**432.94**	**16,427.23**
Accumulated amortisation and Impairment							
Balance as at 31st Mar., 2020	**-**	*2,783.36*	-	*451.46*	*2,664.41*	*83.26*	*5,982.49*
Amortisation expense	-	*290.18*	-	*72.20*	*1,869.95*	*5.14*	*2,237.47*
Amortisation expense (discontinued Operations)	-	-	-	-	*17.16*	-	*17.16*
Disposal	-	*(859.85)*	-	-	-	-	*(859.85)*
Impairment	-	-	-	-	-	-	-
Impairment (Continuing operations)	-	-	-	-	*4,798.72*	-	*4,798.72*
Impairment (Discontinued operations)	-	-	-	-	578.06	-	578.06
Effect of foreign currency exchange difference	-	*893.66*	-	-	-	*27.11*	*920.77*
Balance as at 31st Mar., 2021	-	*3,107.35*	-	*523.66*	*9,928.30*	*115.51*	*13,674.82*
Amortisation expense	**-**	**332.23**	**-**	**65.48**	**544.94**	**38.47**	**981.12**
Disposal	**-**	**(73.39)**	**-**	**(56.16)**	**-**	**-**	**(129.55)**
Impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment (Continuing operations)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment (Discontinued operations)	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Acquisitions through business combinations	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Effect of foreign currency exchange difference	**-**	**(112.61)**	**-**	**-**	**-**	**2.27**	**(110.34)**
Balance as at 31st Mar., 2022	**-**	**3,253.58**	**-**	**532.98**	**10,473.24**	**156.25**	**14,416.05**
Carrying Amount							
Balance as at 31st Mar., 2022	-	***691.69***	**-**	***183.28***	***859.52***	***276.69***	***2,011.18***
Balance as at 31st Mar., 2021	-	1,004.79	-	199.31	1,404.46	221.00	2,829.56

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Notes:

1 Carrying amount of internally developed product related softwares and related technologies for one of the subsidiary, Forbes Technosys Limited, is as follows:

₹ in Lakhs

Particular	**As at 31st Mar,2022**	*As at 31st Mar,2021*
Cheque truncation system	**854.76**	*1,315.90*
Queue management system	**-**	*80.57*
Other computer softwares	**4.76**	*7.99*
	859.52	*1,404.46*

2 During the year, based on Forbes Technosys Limited (FTL) management's assessment about the of development, expected time and cost required to complete and expected revenues from the projects, FTL has concluded that following projects were impaired. Impairment expense of ₹ 161.49 lakhs (Previous Year ₹ 6,556.59 lakhs) in respect of assets related to continuing operations is presented as an exceptional item in the Statement of Profit and Loss and impairment expense of ₹ Nil (Previous Year ₹ 789.25 lakhs) in respect of assets related to discontinued operations is included under profit/(loss) for discontinued operations.

₹ in Lakhs

Particulars	**For the year ended March 31, 2022**	*For the year ended March 31, 2021*
Related to Continuing operations		
Financial Inclusion	-	*350.70*
Insurance and Banking Kiosks	-	*2,739.36*
Internet of Things	-	*350.53*
Online money transfer	-	*1,185.28*
Queue management system	-	*21.69*
Other computer softwares	-	*151.16*
Intangible assets under development	**161.49**	*1,757.87*
Total Disclosed as exceptional items	**161.49**	*6,556.59*
Related to Discontinued operations		
Online money transfer and utility recharge	-	*578.06*
Intangible assets under development	-	*211.19*
Total included under discontinued operation	**-**	*789.25*
Total impairment expenses for the year	**161.49**	*7,345.84*

8.1 Movement for Intangible assets under development

₹ in Lakhs

Particulars	**As at 1st Apr., 2021**	**Additions**	**Amounts Capitalised**	**Impairment**	**As at 31st Mar., 2022**
Intangible asset under development	161.49	-	-	(161.49)	-

₹ in Lakhs

Particulars	**As at 1st Apr., 2020**	**Additions**	**Amounts Capitalised**	**Impairment**	**As at 31st Mar., 2021**
Intangible asset under development	2,779.14	1.45	(650.04)	(1,969.06)	161.49

8.2 Ageing Schedule for Intangible assets under development

₹ in Lakhs

Particulars	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Year**	**Total**
Intangible asset under development	-	-	-	-	-

₹ in Lakhs

Particulars	**Less than 1 Year**	**1-2 Years**	**2-3 Years**	**More than 3 Year**	**Total**
Intangible asset under development	-	*140.35*	*21.14*	-	*161.49*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

9. Trade receivables

9A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Trade receivables		
a) Considered good - Unsecured	**1,096.61**	*891.17*
b) Credit impaired	**221.01**	*303.32*
Less : Allowance for doubtful debts (expected credit loss allowances)	**221.01**	*303.32*
	-	-
Total	**1,096.61**	*891.17*

9B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Trade receivables		
a) Considered good - Secured	**108.53**	*136.67*
b) Considered good - Unsecured	**8,589.13**	*11,948.66*
c) Credit impaired	**4,322.58**	*3,733.06*
Less : Allowance for doubtful debts (expected credit loss allowances)	**4,322.58**	*3,733.06*
	-	-
Total	**8,697.66**	*12,085.33*

₹ in Lakhs

i)	Debts due by private companies in which a director is a director / member (₹ in Lakhs) (refer Note 48)	61.92	*327.12*
	Less : Allowance for doubtful debts (expected credit loss allowance)	-	*10.18*
	Net Debts	61.92	*316.94*

ii) The Group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of lifetime expected loss provision for all trade receivables. The Group has computed expected credit losses based on provision matrix which uses historical credit loss experience of the Group. Forward looking information has been incorporated into the determination of expected credit losses.

The Group has written off / provided for receivable where non-recoverability is established. Group believes that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour.

In shipping business, historical credit loss experience has been considered and in past, no credit loss is suffered. In future, there will be no expected credit loss as vessels are under pool agreement.

iii) **Movement in expected credit allowance**

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Balance at beginning of the year	**4,036.38**	*3,972.86*
Impairment losses recognised on receivables net of utilisation	**931.02**	*532.17*
Amounts written off during the year as uncollectible	**(240.35)**	*(22.26)*
Impact of foreign currency translations	**(85.89)**	-
Amounts recovered during the year	**(97.57)**	*(446.39)*
Balance at end of the year	**4,543.59**	*4,036.38*

iv) For one of the subsidiary, Forbes Technosys Limited, the following customer types are considered while making such assessment for the purpose of determining the expected credit loss allowance.

₹ in Lakhs

Category of Customers	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Banks	**2,875.38**	*4,363.54*
Dealers	**105.65**	*95.13*
Forbes Xpress	**-**	*123.01*
Government	**820.68**	*1,118.69*
Related Party	**0.30**	*0.30*
Others	**317.26**	*71.64*
	4,119.27	*5,772.31*

9. Trade receivables

Ageing of Gross Trade Receivables as on 31st March, 2022

	Unbilled	Not due	Outstanding for the following periods from the due date					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
Considered good	-	6,600.35	1,389.07	185.19	451.61	758.10	409.95	9,794.27
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	730.22	15.02	37.68	115.40	180.59	1,580.08	2,658.99
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	1,884.60	1,884.60
Total	-	7,330.57	1,404.09	222.87	567.01	938.69	3,874.63	14,337.86

Ageing of Gross Trade Receivables as on 31st March, 2021

	Unbilled	*Not due*	*Outstanding for the following periods from the due date*					*Total*
			Less than 6 months	*6 months - 1 year*	*1-2 years*	*2-3 years*	*More than 3 years*	
Undisputed trade receivables								
Considered good	-	*2,793.55*	*1,727.67*	*5,152.47*	*1,766.91*	*700.21*	*835.69*	*12,976.50*
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	*1,000.23*	*462.33*	*60.26*	*1,274.05*	*2,796.87*
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	*1,239.51*	*1,239.51*
Total	-	*2,793.55*	*1,727.67*	*6,152.70*	*2,229.24*	*760.47*	*3,349.25*	*17,012.88*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

10 Non Current Investments

10A. Investments in associates

₹ in Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 Amount*
Unquoted Investments (all fully paid)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	**58,849**	**5.88**	*58,849*	*5.88*
Post acquisition share in profits		**989.03**		*523.84*
		994.91		*529.72*
TOTAL INVESTMENTS		**994.91**		*529.72*

10B. Investments in joint ventures

₹ in Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 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		**660.39**		*554.54*
		940.95		*835.10*
2. Equity shares of ₹ 10 each fully paid up in Forbes Concept Hospitality Services Private Limited	**26,25,000**	**262.50**	*26,25,000*	*262.50*
Post acquisition share in (Losses)		**(261.98)**		*(262.41)*
		0.52		*0.09*
3. Equity shares of Rand 1 each in AMC Cookware (Proprietary) Limited	-	-	*5,000*	*-**
Post acquisition share in profits (Refer Note 55)		-		*4,646.43*
		-		*4,646.43*
TOTAL INVESTMENTS		**941.47**		***5,481.62***

*Amount is below rounding off norm adopted by the Group

10C. Other investments

₹ in Lakhs

Particulars	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount	*As at 31st Mar., 2021 Qty*	*As at 31st Mar., 2021 Amount*
Quoted Investments (all fully paid)				
Investments in Equity Instruments - measured at FVOCI				
Equity shares of ₹ 10 each Eureka Forbes Limited (Refer note 6 below)	**24,95,970**	**9,766.73**	-	-
		9,766.73		-
Investments in Equity Instruments - measured at FVTPL				
Equity shares of ₹ 10 each in New India Co-operative Bank Limited	**5,500**	**0.05**	*5,500*	*0.55*
Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce*	**10**	**-**	*10*	-
[Provision for impairment in value ₹ 0.05 Lakhs; *(Previous Year ₹ 0.05 Lakhs)]*				
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	**17,69,430**	**-**	*17,69,430*	-
[Provision for impairment in value ₹ 285.26 Lakhs (Previous Year ₹ 285.26 Lakhs)] (Refer Note 57)				
Equity Share of SGD 1 each in Forbes Container Lines Pte. Limited*	**8,64,960**	**-**	*8,64,960*	-
[Provision for impairment in value ₹ 271.26 Lakhs (Previous Year ₹ 271.26 Lakhs)] (Refer Note 2 below)				
Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	**100**	**0.03**	*100*	*0.03*
Equity shares of USD 1 each in Edumetry Inc. USA	**2,500**	**-**	*2,500*	-
[Provision for impairment in value ₹ 35.48 Lakhs (Previous Year ₹ 35.48 Lakhs)] (Refer Note 3 below)				
Equity shares of ₹ 10 each in Forbes Edumetry Ltd (Refer Note 5 below)	**16,56,000**	**-**	*16,56,000*	-
[Provision for impairment in value ₹ 144.36 Lakhs; (Previous Year ₹ 144.36 Lakhs)]				
		0.18		*0.68*
Investments in Equity Instruments (at amortised cost)				
Equity shares of ₹ 10 each in Carmel Properties Private Limited (Refer Note 4 below)	**1,125**	**0.03**	*1,125*	*0.03*
		0.03		*0.03*
Investment in Debentures (at amortised cost)				
Irredeemable debentures of ₹ 100 each in Carmel Properties Private Limited (Refer Note 4 below)	**3,089**	**3.89**	*3,089*	*3.89*
		3.89		*3.89*
TOTAL INVESTMENTS		**9,770.83**		*4.60*

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

Note:

1. Pursuant to NCLT and Bombay High Court approval vide order dated 21st January, 2022 for capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), 2,01,25,000 equity shares of ₹ 10 each and 87,50,000 preference shares of ₹ 10 each were cancelled.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Further, SPFSL has incurred a loss of ₹ 879.84 Lakhs during the year ended 31st March, 2022 and SPFSL has sold some of its shipping vessels on which exceptional loss was incurred in the previous as well as current year. As at the year-end only one ship remains (which has been sold subsequent to the year ended 31st March, 2022).

Further, the Board of Directors of SPFSL at their meeting held on 23rd February, 2022 has approved the termination of the Joint Venture Agreement between Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), Sterling Investment Corporation Private Limited and G. S. Enterprises dated 1st December, 2014 with effect from close of business hours on 28th February, 2022. Consequently, w.e.f. 1st March, 2022, SPFSL ceases to be a subsidiary of the Company and now stands as an associate.

Accounting for loss of control over subsidiary has been carried out as depicted in Note 67(i).

The Board of Directors of SPFSL at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022 (Refer Note 16A).

2. 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. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements.

3. Edumetry Inc., USA , a foreign joint venture of the Group has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Group does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Group and not consolidated in these financial statements. The group has made full provision for these investments in earlier years.

4. The market value of Carmel Properties, a residential flat at Mumbai, as at 31st March, 2022 is ₹ 1,006.24 Lakhs, *(Previous Year ₹ 988.04 Lakhs)* as per valuation report issued by V. S. Modi Associates, Chartered Engineers, Government Approved Valuers, Mumbai.

5. Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956. Consequently, the Company does not have any significant influence or control over Forbes Edumetry Limited and therefore it is being reclassified from subsidiary to other investment. Further, Investments made in Forbes Edumetry Limited are fully provided.

6. A composite scheme of arrangement is entered between the Company, erstwhile Eureka Forbes Limited ("EFL") and subsidiaries of EFL being Forbes Enviro Solutions Limited ("FESL"), Aquaignis Technologies Private Limited ("ATPL"), Euro Forbes Financial Services Limited ("EFFSL") and their respective shareholders ("Scheme") was filed with Hon'ble National Company Law Tribunal ("NCLT") Mumbai Bench after approval of Board of Directors of the respective companies on September 8, 2020. Upon the scheme being effective and pursuant to provisions of the scheme, the name of EFL shall be changed from "Forbes Enviro Solutions Limited" to "Eureka Forbes Limited". The Demerger and the consequent allotment of shares of FESL to the company shall be completed upon inter alia the approval of the scheme by NCLT and the completion/ satisfaction of other procedures. Thereafter, the shares issued and allotted by FESL shall be listed on the relevant stock exchange. Pursuant to order dated 25th January, 2022 of the Hon'ble NCLT, Mumbai Bench, the composite scheme of merger was approved and in consideration, 15 fully paid up equity shares of ₹ 10/- each of EFL were alloted to the equity share holders of the Company against 1 equity share of ₹ 10/- each held by them in the Company. (Refer Note 66)

10D. Category-wise investments –as per Ind AS 109 classification

₹ in Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Financial assets carried at fair value through Other Comprehensive Income (FVOCI)		
Equity Instruments	**9,766.73**	-
	9,766.73	-
Financial assets carried at fair value through profit or loss (FVTPL)		
Equity Instruments	**0.18**	*0.68*
	0.18	*0.68*
Financial assets carried at amortised cost		
Debentures	**3.89**	*3.89*
Equity Instruments	**0.03**	*0.03*
	3.92	*3.92*
Financial assets carried at cost less impairment		
Equity Instruments	**1,936.38**	*6,011.34*
	1,936.38	*6,011.34*
Total	**11,707.21**	*6,015.94*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Footnotes:		
Aggregate amount of quoted non current investments (net of impairment) and market value thereof	**9,766.73**	-
Aggregate amount of unquoted non current investments (net of impairment) and market value thereof	**1,940.48**	*6,015.94*
Aggregate amount of impairment in value of investments	**736.41**	*736.41*

11. Loans

(unsecured considered good unless otherwise stated)

11A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Loans to Others		
Secured, Credit impaired	**4,391.78**	*4,391.78*
Less : Loss Allowance	**4,391.78**	*4,391.78*
	-	-
Unsecured, Credit impaired	**39.54**	*39.54*
Less : Loss Allowance	**39.54**	*39.54*
	-	-
Total	-	-

11B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Loans to Others		
Credit impaired	**375.00**	*375.00*
Less : Loss Allowance	**375.00**	*375.00*
	-	-
b) **Loans to Employees**		
Considered good - Unsecured	**0.83**	*1.52*
Total	**0.83**	*1.52*

11C. Movement in the allowance for bad and doubtful loans

₹ in Lakhs

	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Balance at beginning of the year	**4,806.32**	*4,806.32*
Amounts Utilised/ Reversed/ Others	-	-
Balance at end of the year	**4,806.32**	*4,806.32*

12. Inventories

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Inventories (lower of cost and net realisable value)		
Raw materials, Packing materials and Components [includes in transit ₹ 287.74 Lakhs *(Previous Year ₹ 44.05 Lakhs)]*	**1,893.95**	*1,503.81*
Work-in-progress	**817.19**	*590.45*
Finished goods [includes in transit ₹ 199.45 Lakhs *(Previous Year ₹ 33,258 Lakhs)]*	**1,388.57**	*1,163.54*
Stock-in-trade [includes in transit ₹ 12.14 Lakhs *(Previous Year ₹ Nil)]*	**3,942.39**	*4,608.29*
Stores and spares	**141.62**	*247.47*
Real estate development work-in-progress (Refer Note 63)	**11,973.79**	*10,504.58*
Total	**20,157.51**	*18,618.14*

The cost of inventories recognised as an expense includes ₹ 1,518.66 Lakhs *(Previous Year ₹ 735.72 Lakhs)* in respect of write-downs of inventory to net realisable value.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

13.

13A. Cash and cash equivalents

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
Balances with Banks		
a) In current accounts	**1,669.05**	*3,487.05*
b) In EEFC Account	**61.65**	*141.83*
c) Deposits accounts (with original maturity upto 3 months)	**-**	*2,199.03*
	1,730.70	*5,827.91*
Cheques, drafts on hand	**-**	*11.06*
Cash on hand	**0.06**	*0.45*
	0.06	*11.51*
Total	**1,730.76**	*5,839.42*

13B. Bank balances

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) In deposit accounts with more than 3 months but less than 12 months ** #	**97.05**	*102.01*
b) Balances held as margin money / under lien with remaining maturity of less than 12 months*	**326.91**	*783.68*
c) Earmarked balance with the banks:		
-Unpaid dividends	**24.30**	*24.48*
Total	**448.26**	*910.17*

** Includes deposits pledged as security against borrowings.

\# Includes deposits lodged as security with government authorities.

* Includes amounts 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.

14. Other financial assets

14A. Non current
(unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Security deposits		
Considered good - Unsecured (refer Note 1 below)	**473.73**	*1,969.18*
Credit impaired	**2.89**	*11.95*
Less : Loss Allowance	**2.89**	*11.95*
	473.73	*1,969.18*
b) Bank deposits with more than 12 months maturity	**6.31**	*6.00*
c) Balance held with banks as margin money deposits with remaining maturity of more than 12 months	**18.76**	*19.32*
Total	**498.80**	*1,994.50*

14B. Current
(unsecured considered good unless otherwise stated)

₹ in Lakhs

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Security deposits		
Considered good - Unsecured	**17.17**	*26.97*
Credit impaired	**22.88**	*22.88*
Less : Loss Allowance	**22.88**	*22.88*
	17.17	*26.97*
b) Interest accrued on deposits with bank/ inter corporate deposits	**0.70**	*0.84*
c) Contractually reimbursable expenses from related parties	**80.10**	*122.97*
d) Other current receivables (Refer Note 2 below)	**3.97**	*782.46*
e) Earnest Money Deposits	**83.47**	*88.91*
Total	**185.41**	*1,022.15*

Note

1 Security deposit includes deposit given to Marida Tankers Inc and Stainless Tanker Inc (the pool) in the form of bunker as well as deposit and in USD provided by a subsidiary, on its vessels at the time of their entry in the Marida Tankers Inc pool and on its one vessel at time of entry in the Stainless Tankers Inc towards working capital funds for vessels operation.

2 Other current receivables includes the insurance claim receivable from the insurance company towards vessel break down repair cost. Also refer note 53.

14C Movement in the allowance for other financial assets

₹ in Lakhs

	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Balance at beginning of the year	**34.83**	*9.80*
Impairment losses recognised on receivables	**-**	*25.03*
Amounts Utilised/ Reversed	**(9.06)**	*-*
Balance at end of the year	**25.77**	*34.83*

15. Other assets

15A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Capital advances	**33.11**	*113.30*
b) Prepaid expenses	**75.95**	*56.24*
c) Advances for supply of goods and services	**272.13**	*425.90*
d) Balances with statutory/ government authorities		
Considered good - unsecured	**233.73**	*1,452.58*
Credit impaired	**83.31**	*98.49*
Less: Loss allowance	**83.31**	*98.49*
	233.73	*1,452.58*
e) Advance wealth tax	**49.94**	*49.94*
Total	**664.86**	*2,097.96*

15B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Balances with statutory / government authorities	**268.06**	*185.35*
b) Advance to employees	**4.22**	*8.50*
c) Advances for supply of goods and services		
Considered good - unsecured	**1,180.25**	*691.93*
Credit impaired	**190.87**	*331.05*
Less: Loss allowance	**190.87**	*331.05*
	1,180.25	*691.93*
d) Contract assets	**157.45**	*-*
e) Others (refer Note 1 below)	**193.60**	*189.72*
f) Prepaid expenses	**1,057.86**	*841.34*
g) Export incentives receivables	**33.25**	*161.19*
Total	**2,894.69**	*2,078.03*

Notes:

1 Includes ₹ 175.20 lakhs *(Previous year ₹ 175.20 lakhs)* recoverable from one customer against bank guarantee invoked by the customer on alleged delay/non performance of service. However, the delay/non performance was on account of Covid-19 restriction on travel. Forbes Technosys Limited, a subsidiary of the Group, has already started the process of resolving the pending service calls as per a systematic plan agreed upon with the customer. The management of subsidiary believes that all service calls will be resolved satisfactorily and the amount of bank guarantee is fully recoverable.

15C Movement in the allowance for other assets

₹ in Lakhs

	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Balance at beginning of the year	**429.54**	*1,065.41*
Impairment losses/ (reversal) recognised on other assets	**(155.36)**	*(635.87)*
Balance at end of the year	**274.18**	*429.54*

16A Asset classified as held for sale

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Freehold Land [refer Note (i) below]	**2,315.70**	*38.62*
Investment in associate [refer Note (ii) below]	**2,756.09**	*-*
Total	**5,071.79**	*38.62*

Note:

(i) The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding ("MOU") for sale of approximately 3.804 acres of land at Chandivali. Accordingly, the net carrying value as on 31st March, 2022 aggregating Rs. 2,315.70 Lakhs

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

[including Rs. 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during the year ended 31st March, 2022], which has been reflected as asset held for sale, for a consideration of Rs. 20,000.00 Lakhs.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement For Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an increased consideration of Rs. 23,500.00 Lakhs which was executed on 24th March, 2022. The completion of the said transaction is subject to fulfilment of conditions precedent and is expected to be completed in Q1 of FY 2022-2023. Further, the Company has received an advance of Rs. 4,000.00 Lakhs from Equinix during the year ended 31st March, 2022 which has been disclosed under Other Liabilities as Advance for Land Sale.

(ii) The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in Shapoorji Pallonji Forbes Shipping Limited (SPFSL), an associate as at 31st March, 2022 of the Group. Accordingly, the net carrying value of the investment of Rs. 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022.

16B Assets pertaining to discontinued operations

Pursuant to the composite scheme of arrangement as described in note 66, the assets and liabilities pertaining to EFL and certain entities in the Health and Hygiene segment as described in the scheme have been disclosed as discontinued operations as at 31st March, 2021. (Refer Note 76)

Further, pursuant to the binding term sheet for sale of entire shareholding in Forbes Facility Services Private Limited (FFSPL), to SILA Solutions Private Limited, the assets and liabilities of FFSPL have been disclosed as discontinued operations as at 31st March, 2021 and 31st March, 2022. (Refer Note 76)

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Property, Plant and Equipment	**504.87**	*13,204.27*
Right-of-use assets	**81.49**	*1,217.90*
Goodwill	**-**	*9.67*
Other Intangible assets	**-**	*241.73*
Other Investments	**-**	*8,623.23*
Trade receivables	**2,935.05**	*20,741.16*
Other financial assets	**217.86**	*1,494.49*
Deferred tax assets (net)	**324.33**	*1,024.69*
Income tax assets (net)	**1,034.98**	*3,326.22*
Other assets	**20.59**	*6,705.81*
Inventories	**205.93**	*28,512.95*
Cash and cash equivalents	**91.01**	*2,519.42*
Bank balances other than Cash and cash equivalents	**5.94**	*521.66*
Loans	**-**	*13.38*
Total	**5,422.05**	*88,156.58*

16C Liabilities pertaining to discontinued operations

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Borrowings	**1,286.71**	*30,589.51*
Lease liability	**103.90**	*1,354.33*
Provisions	**471.94**	*2,793.47*
Other liabilities	**353.47**	*55,398.52*
Trade payables	**1,285.30**	*24,877.67*
Other financial liabilities	**1,455.69**	*12,836.53*
Current tax liabilities (net)	**-**	*899.82*
Total	**4,957.01**	*1,28,749.85*

17. Equity Share Capital

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Authorised Share capital :		
4,30,50,000 fully paid equity shares of ₹ 10 each *(Previous year 1,50,00,000 fully paid equity shares of ₹ 10 each)*	**4,305.00**	*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 fully paid equity shares of ₹ 10 each)*	**1,289.86**	*1,289.86*
	1,289.86	***1,289.86***

During the current year, the Authorised Share Capital of the Company was increased from Rs. 1,50,00,000 to Rs. 4,30,50,000 pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal vide order dated January 25, 2022 (Refer note 66).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

17.1 Fully paid equity shares

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

Rights, preferences and restrictions attached to equity shares

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

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

Particulars	Fully paid ordinary shares As at 31st Mar., 2022	*As at 31st Mar., 2021*
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*
Total	**93,59,293**	*93,59,293*

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

Particulars	As at 31st Mar., 2022	
	Number of shares held	**% holding in the class of shares**
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**
India Discovery Fund Limited	**11,48,255**	**8.90**
Total	**1,05,07,548**	**81.46**

Particulars	*As at 31st Mar., 2021*	
	Number of shares held	*% holding in the class of shares*
Fully paid equity shares		
Shapoorji Pallonji and Company Private Limited	*93,59,293*	*72.56*
India Discovery Fund Limited	*11,48,255*	*8.90*
Total	*1,05,07,548*	*81.46*

17.4 The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

17.5 Details of shareholding of promoters

₹ in Lakhs

Name of Promoters	As at 31st Mar., 2022	
	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**
Total	**93,59,293**	**72.56**

Name of Promoter	*As at 31st Mar., 2021*	
	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*
Total	*93,59,293*	*72.56*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

18. Other equity

₹ in Lakhs

	Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a)	**Capital reserve**		
	Balance at beginning of the year	**386.13**	*158.25*
	Adjustment on conversion of joint venture into subsidiary	**-**	*227.88*
	Balance as at the year end	**386.13**	*386.13*
b)	**Capital contribution reserve**		
	Balance at end of the year	**493.54**	*493.54*
c)	**Securities premium reserve**		
	Balance at end of the year	**161.76**	*161.76*
d)	**General reserve**		
	Balance as at the year end	**42,849.28**	*42,594.28*
	Adjustment on conversion of joint venture into subsidiary	**-**	*255.00*
	Balance at end of the year	**42,849.28**	*42,849.28*
e)	**Foreign currency translation reserve**		
	Balance at beginning of year	**5,293.06**	*2,987.28*
	Exchange differences in translating the financial statements of foreign operations	**(3,119.65)**	*2,305.78*
	Balance as at the year end	**2,173.41**	*5,293.06*
f)	**Capital reserve for bargain purchase business combinations**		
	Balance at end of the year	**1,221.43**	*1,221.43*
g)	**Capital reserve on Merger***		
	Balance at end of the year	**-**	-
h)	**Capital redemption reserve**		
	Balance at beginning of year	**25.00**	-
	Adjustment on conversion of joint venture into subsidiary	**-**	*25.00*
	Balance as at the year end	**25.00**	*25.00*
i)	**Reserve for equity instruments through other comprehensive income**		
	Balance at beginning of year	**(165.30)**	*(224.11)*
	Cumulative gain/(loss) reclassified to retained earning for equity instruments through OCI	**-**	*58.81*
	Fair value gain on investments in equity instruments at FVOCI (net of tax)	**9,766.73**	-
	Balance as at the year end	**9,601.43**	*(165.30)*
j)	**Retained earnings**		
	Balance at beginning of year	**(66,519.09)**	*(58,359.04)*
	Exchange difference on translation of foreign operations arising during the year	**-**	*0.22*
	Adjustment on conversion of joint venture into subsidiaries	**-**	*(277.80)*
	Cumulative gain/(loss) reclassified to reserves for Equity Instruments through OCI	**-**	*(58.81)*
	Profit/(Loss) attributable to owners of the Company	**4,22,585.00**	*(7,766.58)*
	Other comprehensive income (net of tax)	**(147.35)**	*(57.08)*
	Tax on account of Capital reduction by subsidiary	**(76.28)**	-
	Expenses related to issue of shares by a subsidiary	**(47.50)**	-
	Deemed Dividend (Notional) (Refer note 66)	**(4,06,600.00)**	-
	Balance as at the year end	**(50,805.22)**	*(66,519.09)*
k)	**Equity component of preference shares**		
	Balance at end of the year	**894.42**	*894.42*
l)	**Treasury shares**		
	Balance as at the year end (1,66,398 equity shares of Forbes & Company Limited held by a subsidiary)	**(32.55)**	*(32.55)*
	Total	**6,968.63**	*(15,392.32)*

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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.

(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) Capital Reserve on account of merger

Capital Reserve on account of merger represents the difference between the share capital of transferror company and the recorded investment of transferee company as on appointed date and shown separately under the Statement of changes in equity.

(v) General reserve

The Group created a General Reserve in earlier years pursuant to the provision of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividend. As per Companies Act, 2013 the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Group.

(vi) 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.

(vii) 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.

(viii) Capital redemption reserve

As per the provisions of Companies Act, Capital redemption reserve is created out of the free reserve for the amount equivalent to the paid up capital of shares bought back by the Group and for redemption of preference share capital.

(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.

18.1

₹ in Lakhs

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
i) **Equity shares**		-
Deemed Dividend for the year 31st March, 2022 of ₹ 3,152.28 per equity share *(Previous year: dividend of ₹ NIL)* per fully paid share had been distributed pursuant to the Composite Scheme of Arrangement approved by the Board of Directors of the Company at their Board meeting dated 8th September, 2020. This Scheme was sanctioned by the NCLT vide order dated 25th January, 2022. [includes dividend on 1,66,398 equity shares held by a subsidiary] (Refer Note 66)	**4,06,600.00**	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

19. Provisions

19A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Employee benefits		
Gratuity (Refer Note 44)	**102.05**	*134.32*
Other post retirement benefits (Refer Note 44)	**207.29**	*258.22*
	309.34	*392.54*
b) Other provisions		
For Warranty (Refer Note 43)	**83.11**	*88.30*
Other provisions (Refer Note 43)	**666.18**	*267.88*
	749.29	*356.18*
Total	**1,058.63**	*748.72*

Note: Other provisions comprises provision for contingencies 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 43.

19B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Employee benefits		
Compensated absences	**334.51**	*390.36*
Gratuity (Refer Note 44)	**112.16**	*121.04*
Other post retirement benefits (Refer Note 44)	**33.31**	*43.48*
	479.98	*554.88*
b) Other provisions		
For Warranty (Refer Note 43)	**14.82**	*22.31*
Other provisions (Refer Note 43)	**471.54**	*799.66*
	486.36	*821.97*
Total	**966.34**	*1,376.85*

20 Inventories are stated at the lower of cost (weighted average basis) and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges. Work-in-progress and finished goods include appropriate proportion of overheads, where applicable. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects are assigned by using specific identification of their individual costs.

Sr. no	Type	Basis of Determination
(i)	Raw and Packing Materials	At Weighted Average Cost
(ii)	Work-in-progress	Aggregate of Cost of Materials, other direct costs and absorbed production overheads (including depreciation) up to stage of completion on weighted average cost.
(iii)	Finished Goods	Aggregate of Cost of Materials, other direct costs and absorbed production overheads (including depreciation) on weighted average cost.
(iv)	Stock-in-trade (in respect of goods acquired for trading)	At Weighted Average Cost

20.1 The following matter has been included in the financial statements of Forbes Technosys Limited (FTL), a subsidiary, which is reproduced as follows:

"Expense in respect of shortages and written down of slow-moving, damaged or obsolete inventories to their net realisable value amounted to Rs.1,157.84 lakhs (2021: Rs. 451.25 Lakhs). The following amounts have been disclosed separately in the statement of profit and loss during the year as exceptional item and previous year figures have been regrouped accordingly, which were included under "Changes in inventories of finished goods and stock-in-trade (traded goods)" (Refer Note 12)

21. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
A - Secured – at amortised cost				
(a) **Term loans**				
From banks				
i) Axis Bank, Dubai Foreign currency Term loan - The second ECB term loan was secured by first charge on the stainless steel vessel acquired in January, 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 (Refer note 65). Shapoorji Pallonji Forbes Shipping Limited (SPFSL) had obtained another ECB loan from Axis Bank, DIFC Branch, Dubai in Jan 2018 at Libor plus a Margin of 2.76%. The loan was repayable in 12 equal semi- annual installments starting at the end of 1 year from the initial uitlisation date i.e January 10, 2018 with last payment of USD 4,316,000 on Jan 15, 2025. Same is fully repaid in March, 2022. SPFSL is required to maintain as on the last date of each financial reporting period, a Fixed Asset Coverage Ratio of atleast 1.25:1. SPFSL shall ensure that its payment obligations under the refinancing agreement rank and continue to rank at least pari passu with the claims of all of its other unsecured and unsubordinated creditors, except for the obligations mandatorily preferred by law applied to companies generally. SPFSL is required to establish and maintain a Designated Earning Account and ensure that all Earnings are paid in respect of each vessel are paid into the Designated Earning Account. SPFSL is also required to establish and maintain a Debt Service Reserve Account, an interest bearing USD - denominated bank account to be opened with Axis Bank Ltd., DIFC Branch, Dubai. The account should have an amount equal to the aggregate of the next immediate schedule Repayment Instalment to be paid and the next immediate scheduled interest due and payable which has been complied with.	-	*5,101.78*	-	*790.88*
ii) Federal Bank - Secured by first charge by way of hypothecation of certain investment properties of the Company (Refer Note 65).	-	-	-	*3,498.65*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

Particulars		Non-current portion		Current maturities	
		As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
	[Repayable in 8 quaterly installments, after a moratorium period of 12 months. First installment is due in November 2019 and last installment is due in Feb 2022 (Includes an interim moratorium period of 6 months availed by the Company during the year on account of Covid-19 Pandemic). Rate of interest is MCLR + 0.5% spread. The loan was completely repaid during the year ended 31st March, 2022.]				
iii)	**Zoroastrian Bank -** Secured by an exclusive charge by way of hypothecation of certain investment properties of the Company (Refer Note 65). [Repayable in 30 monthly installments after a moratorium period of 6 months. First installment is due in July 2019 and last installment is due in January, 2022. Rate of interest is 9.50% p.a. The loan has been completely repaid during the year ended 31st March, 2022]	**-**	*-*	**-**	*554.96*
iv)	**DCB Bank Limited Term Loan -** Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad (Refer Note 65). [Repayable as per the repayment schedule agreed with the bank from time to time. First installment is due in 31st October, 2020 and last installment is due in 30th April, 2024. Rate of interest in the range of 9.70% p.a. to 10.45% p.a.]	**1,317.91**	*2,918.10*	**1,600.00**	*1,400.00*
v)	**Corporate Loan from DCB Bank -** Secured by 1st Pari-passu charge on all the present and future current assets of a subsidiary along with Axis Bank Limited. (Refer Note 65). [The interest rate on the loan is in the range of 1 year MCLR + 1.07% per annum (Previous Year: 10.03% to 11.50%). Repayable in six equal quarterly instalment beginning from June 30, 2021].	**-**	*37.00*	**36.94**	*74.00*
vi)	**DCB Bank Limited Term Loan -** under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. (Refer Note 65). [Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4th April, 2022 and last installment is due on 4th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan Additional borrowings of Rs. 487.60 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 4th February, 2024 and last installment is due on 4th January, 2028. Rate of interest is EBLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan]	**1,248.76**	*975.00*	**213.84**	*-*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

		Non-current portion		Current maturities	
Particulars		**As at 31st Mar., 2022**	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
vii)	**Toyota Financial Services Loan** - Secured against hypothecation of Car (Refer Note 65) [Repayable as per the repayment schedule agreed with the financial institution from time to time. First installment is due in 20th September, 2021 and last installment is due in 20th August, 2026. Rate of interest is 8.26% p.a.]	**25.51**	-	**6.23**	-
viii)	**Federal Bank Limited Term Loan** - under the Central Government launched Guaranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company (Refer Note 65). [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31st January, 2022 and last installment is due in 2nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a. Additional borrowings of Rs. 1,296.00 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 2nd April, 2024 and last installment is due on 29th March, 2028. Rate of interest is Repo rate + 5.25% spread p.a.]	**2,786.41**	*1,930.47*	**425.86**	*70.53*
ix)	**Federal Bank Limited Term Loan** - under the Central Government launched Guaranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. (Refer Note 65) [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 24th July, 2022 and last installment is due in 24th June, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**127.58**	-	**24.42**	-
x)	**Federal Bank Limited Term Loan** - under the Central Government launched Guaranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. (Refer Note 65) [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 2nd August, 2022 and last installment is due in 2nd July, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**42.03**	-	**6.97**	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
xi) **DCB Bank-** Working capital loan from DCB bank carries interest of 1 Year MCLR + 1.07% and is repayable in six equal quarterly instalment beginning from June 30, 2021 (Refer Note 65). Facilities from Axis Bank and DCB Bank are secured by 1st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) of Forbes Technosys Limited (FTL) and are backed by 1st Pari-passu charge on property owned by Forbes & Co. Ltd situated at Wagle Estate Thane .	**-**	*604.67*	**603.75**	*1,209.33*
xii) **Axis Bank Ltd -** Working capital loan from Axis bank carries interest of 1 Year MCLR + 2.95% and is repayable in six equal quarterly instalment beginning from June 30, 2021 (Refer Note 65). Facilities from Axis Bank and DCB Bank are secured by 1st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) of Forbes Technosys Limited (FTL) and are backed by 1st Pari-passu charge on property owned by Forbes & Co. Ltd situated at Wagle Estate Thane.	**-**	*277.00*	**276.58**	*552.00*
	5,548.20	*11,844.02*	**3,194.59**	*8,150.35*
	5,548.20	*11,844.02*	**3,194.59**	*8,150.35*
B - Unsecured – at amortised cost				
(i) Yes Bank Ltd including Funded Interest Term Loan-FITL. [Floating rate loans with Yes Bank Limited (including FITL term loan interest) has effective interest rate in the range of 1 year MCLR + 1.80% per annum *(Previous Year : 10.90% to 11.55%)*. Repayable in six equal quarterly instalment beginning from June 30, 2021.]	**-**	*257.80*	**257.18**	*515.60*
(ii) Term Loan from Axis Bank [The loan is repayable in 3 annual instalments of USD 20.00 Lakhs each commencing from the year 2019-20. Loan carries interest rate of LIBOR plus 375 bps per annum.]	**-**	-	**-**	*1,459.74*
(iii) Bank Debts (Refer note (i) below) [Multicurrency Term Facility Agreement amounting to Euro 150 Lakhs. The Loan is repayable in 7 equal instalments, first time in December 2019, and last time in December 2022. However, Group has decided to prepay this long term loan, hence the entire loan has been considered as current maturities of long-term debt] (a part of the loan is secured by pledge of shares of Lux International AG) The loan carries interest rate of 6 month Libor + 2%. (Refer note (i) below)	**9.28**	-	**73.39**	*5,465.91*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

Particulars		Non-current portion		Current maturities	
		As at 31st Mar., 2022	*As at 31st Mar., 2021*	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
(iv)	**Debentures**				
	a) Axis Bank (350 debentures of face value of ₹ 10,00,000 each)	-	*1,166.67*	**1,164.89**	*2,333.33*
	[Debentures are Unsecured, Redeemable and Non Convertible. Date of allotment of Debentures : October 18, 2017. Revised maturity of Debentures is 6 equal quarterly instalments beginning from June 30, 2021. The debentures carry interest at 9.90% p.a payable on quarterly basis. Interest rate has been revised to 10.40% w.e.f. 18th July, 2019.]				
(v)	**Liability component of Redeemable Preference Share Capital** (Refer Note 49 and 50)	**389.09**	*3,760.29*	-	-
(vi)	**Loans and advances from related parties** [Unsecured short term borrowings from related parties carries interest at 10.25% and 5% p.a]	**149.12**	-	-	-
(vii)	**Other Loans** Interest rate at 5% p.a.	**299.71**	-	-	-
(viii)	**Support Loans from Swiss Government** [Long term UBS emergency credit (Corona) repayable in February 2025 with 0% interest]	**339.11**	-	-	*341.79*
		1,186.31	*5,184.76*	**1,495.46**	*10,116.37*
Total (A+B)		**6,734.51**	*17,028.78*	**4,690.05**	*18,266.72*
Less: Amount disclosed under "Current Borrowings" in Note 25.		-	-	**(4,690.05)**	*(18,266.72)*
Total Non-current borrowings		**6,734.51**	*17,028.78*	-	-

Note (i) - Due to inability of the subsidiary erstwhile Eureka Forbes Limited (EFL) to infuse funds in its foreign subsidiary under the Automatic route of FEMA, the foreign subsidiaries could not repay their borrowings including interest thereon that were due during FY 20-21 on the due date. EFL had made an application to Reserve Bank of India (RBI) vide application dated November 18, 2020 for remittance of additional funds to the foreign subsidiary under approval route as per provisions of FEMA, to enable the foreign subsidiary companies to prepay the entire outstanding loan and interest. The amount of principal and interest due thereon during FY 20-21 were subsequently paid before March 31, 2021 by way of encashment of corporate bank guarantee given by EFL.

The Application was approved by RBI vide its letter dated March 10, 2021 granting permission for one-time remittance by EFL to a foreign subsidiary for repayment of outstanding amount of loan and interest. Consequent to such permission, group has decided to prepay the remaining outstanding term loan and the same has been considered under Current maturities of long term borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

22. Other financial liabilities

22A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Security deposits	**139.50**	*154.00*
b) Others: -		
- Other payables*	**110.50**	*472.43*
Total	**250.00**	*626.43*

* Other payables contains a loan from a Danish Distributor who's jointly involved in the development process of the new Aircleaner.

22B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Interest accrued but not due on borrowings	**300.87**	*107.03*
b) Unpaid dividends **	**24.30**	*24.48*
c) Others :-		
- Payables on purchase of fixed assets	**479.50**	*86.06*
- Security deposits/ Trade deposits	**492.98**	*987.07*
- Liability towards derivative contracts	**-**	*20.17*
- Liability towards employee and other contractual liabilities	**-**	*1,091.00*
- Deposits and other charges payable to society	**776.40**	-
- Other liabilities	**732.77**	*1,336.28*
	2,481.65	***3,520.58***
Total	**2,806.82**	***3,652.09***

** In the previous year, the Company has transferred ₹ 0.04 Lakhs and ₹ 0.00 pertaining to unpaid dividend of 2012-13 and 2013-14 respectively to the Investor Education and Protection Fund (IEPF)/ custodians on June 2, 2021 on settlement of outstanding matters.

23. Deferred tax

23A. Deferred tax assets

The following is the analysis of deferred tax assets presented in the balance sheet:

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Deferred tax assets (Refer Note 40)	**3,764.72**	*2,366.53*
Total	**3,764.72**	*2,366.53*

23B. Deferred tax liabilities

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

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Deferred tax liabilities (Refer Note 40)	**(767.78)**	*(718.06)*
Total	**(767.78)**	*(718.06)*

24. Other liabilities

24. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
a) Income received in advance	**19.24**	*9.83*
b) Advances from customers [includes ₹ 15,763.99 Lakhs (Previous Year ₹ 10,476.20 Lakhs) towards installments received from customers towards real estate development projects in progress] (Refer Note 63)	**16,258.52**	*11,426.87*
c) Statutory remittances	**450.23**	*217.88*
d) Others		
- Payable to employees	**1,625.72**	*984.54*
- Advance for land sale	**4,000.00**	-
- Other payables*	**839.34**	*1,019.81*
Total	**23,193.05**	*13,658.93*

* Other payables include dues pertaining to a settlement agreement with the Insolvency Administrator of Lux Germany after de-consolidation.

25. Current Borrowings

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
A - Current maturities of long-term borrowings	**4,690.05**	*18,266.72*
B - Secured - at amortised cost		
a) Loans repayable on demand		
- from banks		
Cash credit facilities/ Buyers Credit	**4,418.39**	*6,139.94*
Cash credit facilities/ buyers credit amounting to ₹ 1,978.12 Lakhs (Previous Year ₹ 2,058.81 Lakhs) in case of Foreign entities of a subsidiary, the interest rate for all bank overdrafts were between 0% and 13% p.a. *(Previous Year 0% and 13% p.a.)*. The loan of Lux Hungary is secured by the pledge of total assets in Lux Hungary upto a maximum amount of ₹ 3,414.78 Lakhs *(Previous Year ₹ 3,681.00 Lakhs)*.		
Cash credit facilities amounting ₹ 344.61 Lakhs *(Previous Year ₹ 434.31 Lakhs)* from Axis Bank and Development Credit Bank Limited (DCB) are secured by pari-passu hypothecation charge on all inventory and trade receivables of a subsidiary with carrying amount of ₹ 2,024.83 Lakhs *(Previous Year ₹ 5,796.66 Lakhs)*. Interest rate on cash credit facilities from Axis Bank is 3M MCLR +2.95% and from DCB is one year MCLR +1.07% *(Previous Year Axis Bank 3M MCLR +2.95% and from DCB is one year MCLR +1.07%)*.		
Cash credit from consortium of banks amounting to ₹ 2,095.66 Lakhs (Previous Year ₹ 1,155.87 Lakhs) is secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia of the Company (Refer Note 65).		
Overdraft facility from Axis Bank ₹ Nil *(Previous Year ₹ 2,456.23 Lakhs)* is secured by first charge on project Vicinia receivables to the extent pertaining to Forbes & Company Limited (Refer Note 65).		
	4,418.39	*6,139.94*
C - Unsecured - at amortised cost		
a) Credit card facility availed from Axis Bank (Tenure of 51 days)	**247.59**	*153.33*
b) Loans from related parties (refer Note 48) (refer Notes 1, 2 and 3 below)	**11,426.80**	*8,715.55*
c) Loans from others (interest rate of 5% p.a.)	**-**	*293.00*
	11,674.39	*9,161.88*
Total	**20,782.83**	*33,568.54*

Notes:

1. Fixed rate loan with Shapoorji Pallonji Development Managers Private Limited (formerly Lucrative Properties Private Limited) is repayable on demand. The effective rate of interest is 15.00% p.a *(Previous Year 15.00% p.a)*.
2. Fixed rate loan with Shapoorji Pallonji and Company Private Limited is repayable on demand. The effective rate of interest ranges from 11.50% p.a. (Previous Year 11.50% p.a.).
3 Fixed rate loan with Shapoorji Pallonji Forbes Shipping Limited is repayable on demand. The effective rate of interest is 11.50% p.a.
4 During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.
5 Forbes Technosys Limited, a subsidiary, submits monthly stock and debtor statements at gross amount which is followed up by quarterly financials information net of provisions as appearing in books of account of subsidiary. There were no discrepancies in the financial information provided by the subsidiary to the lenders as compared with books of account of the subsidiary.
6 With respect to other subsidiaries, during the year there were no working capital limits sanctioned in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets.
The above information is disclosed to the extend applicable to the Group.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

26. Trade payables
26 Current

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Trade payables		
-Others	**6,727.40**	*8,421.89*
-Micro and small enterprises	**1,366.95**	*1,431.12*
Total	**8,094.35**	*9,853.01*

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 Group and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**1,234.96**	*1,326.28*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**20.51**	*27.03*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**2,949.79**	*1,582.82*
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	**32.39**	*3.62*
Further interest remaining due and payable for earlier years	**79.09**	*74.19*

26. Trade payables

Ageing of Trade Payables for the year ended 31st March, 2022

	Unbilled	Not due	Outstanding for the following periods from the due date				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
Micro enterprises and small enterprises	0.57	525.87	98.20	78.59	90.10	573.62	1,366.95
Others	713.46	2,608.17	2,404.80	299.25	350.83	257.57	6,634.08
Disputed trade payables	-	-	-	-	-	-	-
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	80.33	12.99	-	93.32
Total	**714.03**	**3,134.04**	**2,503.00**	**458.17**	**453.92**	**831.19**	**8,094.35**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Ageing of Trade Payables for the year ended 31st March, 2021

	Unbilled	*Not due*	*Outstanding for the following periods from the due date*				*Total*
			Less than 1 year	*1-2 years*	*2-3 years*	*More than 3 years*	
Undisputed trade payables	-	-	-	-	-	-	-
Micro enterprises and small enterprises	*0.57*	*62.45*	*661.13*	*124.50*	*531.90*	*50.57*	*1,431.12*
Others	*326.13*	*4,262.12*	*2,897.41*	*383.76*	*215.53*	*243.62*	*8,328.57*
Disputed trade payables	-	-	-	-	-	-	-
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	*90.75*	*2.57*	-	-	*93.32*
Total	*326.70*	*4,324.57*	*3,649.29*	*510.83*	*747.43*	*294.19*	*9,853.01*

27. Current tax assets and liabilities

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Income tax assets (net)		
Tax refund receivable	**1,470.82**	*2,036.22*
	1,470.82	*2,036.22*
Current tax liabilities (net)		
Income tax payable	**173.52**	*262.19*
	173.52	*262.19*
Net Asset	**1,297.30**	*1,774.03*

₹ in Lakhs

	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Movement during the year		
Balance at the beginning of the year	**1,774.03**	*2,789.87*
Add: Taxes paid (including tax deducted at source/ self assessment tax net of refunds received)	**745.57**	*591.52*
Less: Refund received (net of taxes paid / adjusted)	**(805.48)**	*(934.14)*
Less: Impact of loss of Control over subsidiary	**(24.39)**	-
Less: Provision for Income tax assets	**-**	*(236.96)*
Less: Current tax payable for the year	**(392.43)**	*(436.26)*
Balance at the year end	**1,297.30**	*1,774.03*

28. Revenue from operations

The following is an analysis of the Group's revenue for the year

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
a) Income from real estate contracts (Refer Note 63)	**1,490.58**	*38,652.53*
b) Sale of products	**42,297.07**	*38,322.67*
c) Sale of services		
i) Charter hire income	**4,442.69**	*11,540.65*
ii) Annual Maintenance and support service charges	**464.34**	*1,472.78*
iii) Transaction charges	**72.66**	*177.95*
iv) Commission income	**20.11**	*79.61*
	4,999.80	*13,270.99*
d) **Other operating revenues**		
i) Rent and amenities	**1,460.05**	*1,676.99*
ii) Export incentives	**18.89**	*111.81*
iii) Others (mainly includes scrap sales, interest on instalments and income from renting of products)	**1,206.18**	*1,207.27*
	2,685.12	*2,996.07*
Total	**51,472.57**	*93,242.26*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

29. Other income

₹ in Lakhs

	Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
a)	**Interest Income**		
	Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
(i)	Bank deposits	**65.12**	*26.70*
(ii)	Interest income from financial assets and others at amortised cost	**3.50**	*6.36*
(iii)	Customers and others	**17.25**	*3.02*
		85.87	*36.08*
b)	**Other Non-Operating Income**		
(i)	Credit balances / excess provision written back	**264.64**	*65.60*
(ii)	Interest on Income Tax/ Wealth Tax refund	**525.78**	*131.07*
(iii)	Miscellaneous income [includes export incentives ₹ Nil Lakhs (Previous Year ₹ 844.06 Lakhs)].	**668.33**	*1,640.90*
		1,458.75	*1,837.57*
c)	**Other gains and losses**		
(i)	Gain on disposal of property, plant and equipment	**363.65**	*1,016.72*
(ii)	Gain on disposal of Right of use assets	**-**	*3.31*
(iii)	Gain on disposal of subsidiary	**-**	*3,113.23*
(iv)	Net foreign exchange gains/ (loss)	**1,535.55**	*1,301.50*
(v)	Guarantee Commission	**0.44**	*21.38*
		1,899.64	*5,456.14*
	Total	**3,444.26**	*7,329.79*

30. Real estate development costs

₹ in Lakhs

	Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
	Real estate development costs		
i)	Material and contractual payments	**2,168.82**	*3,748.54*
ii)	Fees for technical services / design and drawings	**26.71**	*46.44*
iii)	Project management consultancy fees	**150.12**	*235.38*
iv)	Fees-filing with statutory authorities	**28.91**	*88.59*
v)	Interest on borrowings	**52.75**	*363.49*
vi)	Operation and maintenance expenses	**84.18**	*119.94*
	Total	**2,511.49**	*4,602.38*

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

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Opening Stock of of raw materials including packing materials	**1,503.81**	*1,574.97*
Purchases	**8,448.33**	*6,661.18*
	9,952.14	*8,236.15*
Less: Closing stock of raw materials including packing materials	**1,893.95**	*1,503.81*
	8,058.19	*6,732.34*
Less: Disclosed as an exceptional item		
Write down of Inventory to net realisable value (Refer note 54)	**325.74**	*-*
	8,383.93	*6,732.34*

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, spares and accessories.

a) Inventories at the end of the year:		
i) Finished goods	**1,388.57**	*1,163.54*
ii) Work-in-progress	**817.19**	*590.45*
iii) Stock-in-trade	**3,942.39**	*4,608.29*
iv) Spares and accessories	-	-
v) Real estate development work-in-progress	**11,973.79**	*10,504.58*
	18,121.94	*16,866.86*
b) Inventories at the beginning of the year:		
i) Finished goods	**1,163.54**	*1,165.12*
ii) Work-in-progress	**590.45**	*805.96*
iii) Stock-in-trade	**4,608.29**	*5,937.51*
iv) Spares and accessories	-	-
v) Real estate development work-in-progress	**10,504.58**	*33,035.57*
	16,866.86	*40,944.16*
c) Less: Disclosed as an exceptional item		
Write down of Inventory to net realisable value (refer note 54)	**832.10**	*451.25*
d) Effect of Foreign Currency translation	**(221.15)**	-
Net increase (b-a-c-d)	**(1,866.03)**	*23,626.05*

32. Employee benefits expense

₹ in Lakhs

	Particulars	**Year Ended 31st Mar., 2022**	*Year Ended 31st Mar., 2021*
i)	Salaries and wages	**16,586.00**	*20,566.33*
ii)	Contribution to provident and other funds	**337.66**	*433.05*
iii)	Staff welfare expenses	**366.50**	*393.38*
Total		**17,290.16**	*21,392.76*

33. Finance costs

₹ in Lakhs

	Particulars	**Year Ended 31st Mar., 2022**	*Year Ended 31st Mar., 2021*
(a)	**Interest Cost**		
(i)	Interest on borrowings	**3,413.60**	*4,527.89*
(ii)	Interest expense on lease liabilities	**64.16**	*54.29*
(iii)	Interest Expense on delayed payment of taxes	**0.35**	*2.17*
(iv)	Other interest expense	**125.45**	*148.80*
(v)	Interest on preference shares classified as borrowings	**408.69**	*404.71*
(b)	**Exchange differences regarded as an adjustment to borrowing costs**	**160.81**	*(151.01)*
(c)	**Other borrowing costs**	**30.16**	*172.22*
	Total	**4,203.22**	*5,159.07*

34. Depreciation, amortisation and impairment expense

₹ in Lakhs

	Particulars	**Year Ended 31st Mar., 2022**	*Year Ended 31st Mar., 2021*
i)	Depreciation of property, plant and equipment (Refer Note 4)	**2,557.60**	*3,912.66*
ii)	Depreciation of Right of use assets (Refer Note 5)	**541.66**	*597.59*
iii)	Depreciation of investment properties (Refer Note 6)	**63.25**	*64.84*
iv)	Amortisation of intangible assets (Refer Note 8)	**981.12**	*2,237.47*
	Total	**4,143.63**	*6,812.56*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

35. Other expenses

₹ in Lakhs

Particulars		Year Ended 31st Mar., 2022	Year Ended 31st Mar., 2021
Consumption of stores and spare parts		**945.30**	*1,293.89*
Processing charges (including contract labour charges)		**1,331.65**	*1,612.20*
Power and fuel		**728.15**	*733.09*
Operating costs for shipping business			-
a) Crew and other related expenses		**120.82**	*206.79*
b) Others		**96.27**	*307.05*
Rent and hire charges (Refer Note 64)		**167.13**	*390.34*
Repairs to :			-
a) Buildings	**634.21**		*56.90*
b) Plant and machinery	**483.64**		*490.17*
c) Others	**626.33**		*721.40*
		1,744.18	*1,268.47*
Insurance		**182.34**	*370.87*
Rates and taxes		**174.99**	*157.98*
Selling expenses, sales promotion, commission and brokerage		**1,558.25**	*1,694.61*
Printing and stationery		**34.44**	*32.03*
Communication		**136.43**	*206.96*
Advertisement		**133.64**	*150.27*
Legal and professional charges		**1,282.10**	*1,513.45*
Travelling and conveyance		**189.21**	*156.48*
Trade receivables / advances written off	**520.81**		*1,406.18*
Less: Provision held	**240.35**		*22.26*
		280.46	*1,383.92*
Provision for doubtful trade receivables, loans and advances (net)		**678.09**	*(550.09)*
Managed assets service provider's charges		**28.24**	*145.98*
Service Charges		**893.70**	*666.06*
Freight and outward charges		**334.65**	*409.42*
Customer penalty and damages		**82.70**	-
Logistics charges		**226.44**	*254.22*
Corporate social responsibility expenditure (refer Note 1 below)		**25.00**	*18.84*
Other establishment and miscellaneous expenses		**1,315.52**	*4,559.10*
Auditor remuneration			
To statutory auditors			
i) For audit services	**212.86**		*328.15*
ii) For taxation matters	**0.33**		*2.95*
iii) For reimbursement of expenses	**3.55**		*2.99*
		216.74	*334.09*
To cost auditors		**4.00**	*4.25*
Total		**12,910.44**	*17,320.27*

Note:

1. **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. CSR committee has been formed as per the Act

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

Particulars	Year ended 31st Mar., 2022	*Year ended 31st Mar., 2021*
Amount required to be spent as per section 135 of the Act.	**24.94**	*18.84*
Amount spent/commitments during the year:		
i) Construction/acquisition of an asset	-	*0.83*
ii) Purpose other than (i) above	-	-
	-	*0.83*
Contribution for activities promoting educational facilities	-	*0.83*
Accrual towards unspent obligations in relation to ongoing projects of the company	**24.94**	*18.01*

Year	Balance as at 1st April, 2021/2020			Amount Spent during the year		Balance as at 31st March, 2022/2021	
	With the Company	In Separate CSR unspent account	Amount required to be spent during the year	From the Company's Bank Account	From Separate CSR unspent account	With the Company	In Separate CSR unspent account
Mar-22	-	18.01	24.94	-	18.01	@ 24.94	-
Mar-21	-	-	18.84	0.83	-	* 18.01	-

* ₹ 17.00 Lakhs has been transferred to a separate CSR unspent account on April 28, 2021 and ₹ 1.01 Lakhs has been transferred on May 10, 2021.

@ The Company has not transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act in respect of "other than ongoing projects" to a Fund specified in Schedule VII to the Act. However, the time period for such transfer, i.e., six months of the expiry of the financial year as permitted under the second proviso to sub-section (5) of Section 135 of the Act has not elapsed and will be transferred to separate bank account by September 2022.

36. Exceptional items

₹ in Lakhs

	Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
a)	Expected inflow/ (outflow) for disputed matter (Refer Note 53)	**(230.19)**	-
b)	Provision for impairment of certain intangible assets and intangible assets under development - continuing operations (Refer Note 8)	**(161.49)**	*(6,556.59)*
c)	Provision for slow-moving, damaged or obsolete inventories (Refer Note 54)	**(1,157.84)**	*(451.25)*
d)	Loss on sale of shipping vessels (Refer Note 74)	**(663.90)**	*(4,610.52)*
e)	Gain on Capital reduction by subsidiary (Refer Note 50)	**792.71**	-
f)	Gain on Loss of Control (Refer Note 67)	**166.67**	-
g)	Impairment on Goodwill/Investments in Joint Venture (Refer Note 7 and 55)	**(29,347.81)**	*(979.00)*
h)	Loss on cessation of Joint Venture (Refer Note 55)	**(4,419.51)**	-
	Total	**(35,021.36)**	*(12,597.36)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

37. Income taxes

37.1 Income tax recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Tax Expense - Continuing Operations		
Current tax	**392.43**	*436.26*
Deferred tax	**(1,420.54)**	*5,587.72*
Tax Expense - Discontinued Operations		
Current tax	**2,048.53**	*2,535.95*
Deferred tax	**30.05**	*(546.36)*
Total income tax expense recognised in the current year	**1,050.47**	*8,013.57*
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit/ (Loss) before tax from continuing operations	**(33,775.42)**	*(2,993.68)*
Profit/ (Loss) before tax from discontinued operations	**4,57,305.48**	*(653.16)*
Profit/ (Loss) before tax for the year	**4,23,530.06**	*(3,646.84)*
Income tax expense calculated at corporate tax rate at 25.17 % *(Previous Year: 25.17 %)*	**1,06,602.52**	*(917.91)*
Effect of amounts which are exempt in calculating taxable income	**(1,13,708.94)**	*(187.16)*
Effect of amounts that are not deductible (taxable) in determining taxable profit	**7,360.13**	*(716.65)*
Effect of tax incentives and concessions	**(51.51)**	*(71.45)*
Tax not payable for loss making subsidiaries	**3,298.13**	*4,028.86*
Effect of different tax rates in companies	**(205.59)**	*4,538.10*
Effects of entities consolidated using equity method	**(303.16)**	*(209.86)*
Effect on deferred tax assets due to change in tax rates	**-**	*619.18*
MAT credit written off	**-**	*551.91*
Exclusion of Long term Capital Loss on Capital Reduction	**(1,393.05)**	-
Others	**(548.06)**	*378.55*
Income tax expense recognised in Statement of Profit and Loss	**1,050.47**	*8,013.57*

37.2 Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Arising on income and expenses recognised in other comprehensive income:		
Re-measurement of defined benefit plans	**59.22**	*12.48*
Total income tax expense recognised in other comprehensive income	**59.22**	*12.48*

38. Earnings per share

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

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Profit/(Loss) for the year from continuing operations (A) (₹ in Lakhs)	**(32,641.90)**	*(5,123.83)*
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Basic/ Diluted Earnings/ (Loss) per share (A/B) (₹)	**(256.37)**	*(40.24)*
Profit/(Loss) for the year from discontinued operations (A) (₹ in Lakhs)	**4,55,226.90**	*(2,642.75)*
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Basic/ Diluted Earnings/ (Loss) per share (A/B) (₹)	**3,575.39**	*(20.76)*
Profit/(Loss) for the year attributable to owners of the Group (A) (₹ in Lakhs)	**4,22,585.00**	*(7,766.58)*
Weighted average number of equity shares (Net of 1,66,398 equity shares held by a subsidiary) (Quantity in Lakhs) (B)	**127.32**	*127.32*
Basic/ Diluted earnings/ (Loss) per share attributable to owners of the Group (A/B) (₹)	**3,319.02**	*(61.00)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

39 Contingent liabilities:

₹ in Lakhs

		As at 31st Mar., 2022	As at 31st Mar., 2021
(a)	Claims against the Group not acknowledged as debts		
1	Taxes in dispute:-		
	(i)Excise demand (Rs. 1,562.83 Lakhs pertains to discontinued operations as at March 31, 2021)	**2,724.52**	*4,287.36*
	(ii)Sales tax and Goods and Service Tax (Rs. 5,439.66 Lakhs pertains to discontinued operations as at March 31, 2021)	**2,882.28**	*7,851.46*
	(iii)Income-tax (Rs. 1,299.34 Lakhs pertains to discontinued operations as at March 31, 2021)*	**4,789.78**	*6,246.58*
	(iv)Service-tax (Rs. 2,120.48 Lakhs pertains to discontinued operations as at March 31, 2021)	**3,599.29**	*5,664.02*
	(v) Customs duty	**101.00**	*101.00*
	(vi) Wealth tax	**-**	*409.86*
2	Labour matters in dispute	**11.07**	*11.07*
3	Customer claims	**3,219.39**	*3,107.97*
4	Other legal matters (Rs. 188.00 Lakhs pertains to discontinued operations as at March 31, 2021)**	**449.37**	*633.40*

* In calculating the tax expense for the current year, certain subsidiaries in the Group have considered taxability of certain income and allowability of certain expenditure for tax purpose based on the orders/judgments passed in further appeals in its own assessment of earlier years. Based on the same, no additional provision is envisaged necessary as on 31st March 2022 in respect of earlier years and current year.

(b) Share in contingent liability of Joint Ventures and associates:

The Contingent Liabilities as on 31st March, 2022 is ₹ 87.16 Lakhs *(Previous Year ₹ 33.65 Lakhs)*.

Corporate Guarantees issued as on 31st March, 2022 is ₹ 1,739.50 Lakhs *(Previous Year ₹ Nil)*.

Notes:

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

2 In respect of a subsidiary, Forbes Facility Services Pvt. Ltd., Statutory Liabilities include an amount of ₹ 34.27 Lakhs *(Previous Year ₹ 34.27 Lakhs)* towards employee provident fund which is unpaid as on the Balance sheet date, since the Universal Account Number (UAN) of certain employees could not be generated due to inconsistencies in the personal identity documents of those employees. Subsequently those employees have resigned from the subsidiary. The subsidiary has approached the Provident fund authorities for resolving this technical matter and are in the process of discharging the liability.

3 The Group has evaluated the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

4 One of the subsidiary company of Lux International AG, Lux Deutschland GmbH became insolvent and was liquidated and deconsolidated during the previous year. The Settlement Agreement concluded on the 27th November 2020, with the Insolvency Administrator of the former Lux Deutschland GmbH ("Lux Germany") included an earn-out clause, whereas a profit share on the consolidated Net Result of Lux Group in 2023 and 2024 would be assigned to the insolvency mass. This profit share amounts to 1/3 of a Net Profit exceeding 1.0mn EUR in each of the two years. The total amount of the two profit shares has been limited to a maximum amount of 1.7mn EUR. Considering the historical Net Loss situation of the past years, the actual significant market distortions due to the Covid pandemic, and the high uncertainty of future profit projections, the management considers it unlikely that such profit share will have to be paid out in the upcoming years. Accordingly, no provisions have been recorded for such pay-out.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

40A. Deferred tax Assets

The following is the movement of deferred tax assets presented in the Balance Sheet:

Current Year (2021-22)

₹ in Lakhs

Particulars	**Opening balance**	**Recognised in Statement of Profit and Loss**	**Foreign Exchange Adjustment**	**Recognised in Other Comprehensive Income**	**Closing balance**
Deferred tax (liabilities)/assets in relation to:					
a) Property, plant and equipment	(650.79)	32.18	-	-	(618.61)
b) Right of Use Assets	(53.69)	43.16	-	-	(10.53)
c) Lease Liability	53.52	(47.10)	-	-	6.42
d) Allowance for Doubtful debts and advances	329.48	(89.92)	-	-	239.56
e) Provisions and liabilities to be allowed on payment basis	136.48	(14.31)	-	-	122.17
g) MAT Credit *	0.13	(0.13)	-	-	-
h) Profits from Real Estate Business	822.18	96.73	-	-	918.91
i) Tax losses	1,451.71	1,038.42	-	-	2,490.13
k) Others	277.51	420.52	(81.36)	-	616.67
Total	**2,366.53**	**1,479.55**	**(81.36)**	**-**	**3,764.72**

Previous Year (2020-21)

₹ in Lakhs

Particulars	***Opening balance***	***Recognised in Statement of Profit and Loss***	***Foreign Exchange Adjustment***	***Recognised in Other Comprehensive Income***	***Closing balance***
Deferred tax (liabilities)/assets in relation to:					
a) Property, plant and equipment	*(800.89)*	*150.10*	-	-	*(650.79)*
b) Right of Use Assets	*(103.03)*	*49.34*	-	-	*(53.69)*
c) Lease Liability	*97.79*	*(44.27)*	-	-	*53.52*
d) Allowance for Doubtful debts and advances	*285.82*	*43.66*	-	-	*329.48*
e) Provisions and liabilities to be allowed on payment basis	*162.58*	*(37.37)*	-	*11.27*	*136.48*
f) Voluntary retirement scheme	*21.43*	*(21.43)*	-	-	-
*g) MAT Credit **	*552.09*	*(551.96)*	-	-	*0.13*
h) Profits from Real Estate Business	*4,901.16*	*(4,078.98)*	-	-	*822.18*
i) Tax losses	*974.25*	*477.46*	-	-	*1,451.71*
j) Others	*1,914.82*	*(1,895.18)*	*257.87*	-	*277.51*
Total	***8,006.02***	***(5,908.63)***	***257.87***	***11.27***	***2,366.53***

** During the year ended 31st March, 2021, the Parent Company has decided to exercise the option prescribed in Section 115 BAA of the Income Tax Act, 1961 and to pay tax at a lower rate while computing the tax expense for the previous financial year. Accordingly, deferred tax asset has been remeasured at the lower rate and deferred tax asset on MAT credit has been expensed out in the previous year.*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

40B. Deferred tax Liabilities

The following is the movement of deferred tax liabilities presented in the Balance Sheet:
Current Year (2021-22)

₹ in Lakhs

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Foreign Exchange Adjustment	Recognised in Other Comprehensive Income	Closing balance
Deferred tax liabilities in relation to:					
a) Property, plant and equipment	(0.01)	-	-	-	(0.01)
b) Others (includes tax losses)	(718.05)	(59.01)	9.29	-	(767.77)
Total	**(718.06)**	**(59.01)**	**9.29**	**-**	**(767.78)**

Previous Year (2020-21)

₹ in Lakhs

Particulars	*Opening balance*	*Recognised in Statement of Profit and Loss*	*Foreign Exchange Adjustment*	*Recognised in Other Comprehensive Income*	*Closing balance*
Deferred tax liabilities in relation to:					
a) Property, plant and equipment	*(0.01)*	-	-	-	*(0.01)*
b) Others (includes tax losses)	*(991.34)*	*320.91*	*(47.62)*	-	*(718.05)*
Total	***(991.35)***	***320.91***	***(47.62)***	**-**	***(718.06)***

40C. Unrecognised deductible temporary differences, unused tax losses and unused tax credits

1 In respect of Lux Group, deferred tax assets amounting to ₹ 2,028.73 Lakhs *(Previous Year ₹ 179.84 Lakhs)* from tax losses carried forward are not capitalised as their recoverability is uncertain.

2 In respect of EFL Mauritius Limited, at 31st March 2022, the Company had accumulated tax losses amounting to ₹ 60.74 Lakhs *(Previous Year ₹ 64.42 Lakhs)* and is therefore not liable to income tax. The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.

3 In respect of Forbes Lux International AG, at 31st December 2021, the entity had accumulated tax losses amounting to ₹ 62,770.78 Lakhs *(Previous Year ₹ 63,695.21 Lakhs)* and is therefore not liable to income tax.The accumulated tax losses are available for net off against taxable income arising in the forthcoming seven years only.

4 In respect of Forbes Technosys Limited, the entity has unabsorbed depreciation amounting to ₹ 8,011.45 Lakhs *(Previous year ₹ 6,336.26 Lakhs)* and has accumulated tax losses amounting to ₹ 13,034.15 Lakhs *(Previous year ₹ 12,941.68 Lakhs)* is therefore not liable to income tax.The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years amounting to ₹ 3,220.85 Lakhs *(Previous Year ₹ 3,597.73 Lakhs)* and within next five years to ten years amounting to ₹ 9,813.30 Lakhs *(Previous Year ₹ 9,343.95 Lakhs)*.

5 In respect of Forbes Campbell Finance Limited, the entity has unabsorbed depreciation amounting to ₹ 19.08 Lakhs *(Previous year ₹ 19.03 Lakhs)* and has accumulated tax losses amounting to ₹ 2,328.19 Lakhs *(Previous year ₹ 2,117.63 Lakhs)* is therefore not liable to income tax.The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.

6 In respect of Forbes Technosys Limited (FTL), the entity has restricted the recognition of deferred tax assets on account of unabsorbed depreciation and brought forward business loss and certain other assets to set off the deferred tax liabilities on account of temporary difference arising on property, plant and equipment and intangible assets. FTL did not have any deferred tax liability as on March 31, 2022, accordingly, FTL has not recognised any deferred tax assets. Unabsorbed depreciation and forward business losses on which deferred tax assets has not been recognised (in the absence of virtual certainty of taxable income) were Rs. 20,697.72 Lakhs as on March 31, 2022 *(Previous Year: Rs. 13,291.33 Lakhs)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

40D. Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, a subsidiary has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed tonnage income of that entity and no deffered tax is applicable to such income as there are no temporary differences. The temporary difference in respect of the non-tonnage activities of that entity are not material, in view of which deferred taxation has not been accounted for that entity.

40E. Certain subsidiaries, associates and joint ventures of the Group (excluding those covered under discontinued operations) have undistributed earnings as at 31st March, 2022 of ₹ 1,854.74 Lakhs *(Previous Year ₹ 1,278.50 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, associates and joint ventures. These entities are not expected to distribute dividends out of their reserves in the foreseeable future. Certain subsidiaries, joint ventures and 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 31st March 2022 which would have restrictions for dividend distribution have been excluded from the aforesaid undistributed earnings calculation.

41. Leases

(a) Operating lease: Group as lessor

The Group has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto five years. The Group has also deployed certain Data processing equipments Queue Management Kiosks (QMS), Pass Book Kiosks (PBK) and (TS Scanners) at various sites under cancellable operating lease. The rental income from the assets given on lease of ₹ 1,460.05 Lakhs (*Previous Year ₹ 1,676.99 Lakhs*) has been disclosed as "Rent and amenities" under Revenue from operations in Note 28.

a) The company is in the business of giving products on operating lease and the details are as under:

₹ in Lakhs

Particulars	**As at 31st Mar., 2022 ₹ in Lakhs**	*As at 31st Mar., 2021 ₹ in Lakhs*
Gross carrying amount of products given on operating lease	-	*7.26*
Accumulated depreciation	-	*4.77*
Depreciation for the period/year	**0.52**	*3.56*
TOTAL	**0.52**	*15.59*

b) The company has given certain office /factory premises & moulds on operating lease basis. Details of which are as follows:

	Building		**Plant and Machinery (Moulds)**	
Particulars	**As at 31st Mar., 2022 ₹ in Lakhs**	*As at 31st Mar., 2021 ₹ in Lakhs*	**As at 31st Mar., 2022 ₹ in Lakhs**	*As at 31st Mar., 2021 ₹ in Lakhs*
Gross amount	**367.22**	*367.22*	**35.66**	*35.66*
Accumulated depreciation	**138.85**	*125.86*	**28.10**	*26.40*
Depreciation	**10.82**	*12.99*	**1.42**	*1.70*
TOTAL	**516.89**	*506.07*	**65.18**	*63.76*

c) The company has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the period is Rs. 67.42 lakhs *(Previous year Rs. 80.57 lakhs)* for premises.

Period	**As at 31st Mar., 2022 ₹ in Lakhs**	*As at 31st Mar., 2021 ₹ in Lakhs*
Not later than 1 year	**616.23**	*523.81*
Later than 1 year and not later than 5 years	**323.47**	*400.86*
TOTAL	**939.70**	*924.67*

Also Refer Note 64.

42 Other Commitments

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 147.60 Lakhs (*Previous Year ₹ 633.39 Lakhs*) (net of advances).

(b) The group has issued performance guarantee of ₹ 4,989.75 Lakhs (*Previous Year ₹ 6,562.21 Lakhs*).

(c) The group has outstanding bank guarantees of ₹ 167.93 Lakhs (*Previous Year ₹ 176.25 Lakhs*).

43 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., 2021***	**Additions**	**Provision used**	**Provision reversed**	**As at 31st Mar., 2022**
Provision for warranty (Refer Note 1 below)	**110.61**	* **77.12**	**(53.33)**	**(36.47)**	**97.93**
	235.04	84.66	(59.05)	(150.04)	*110.61*
Other Provision (Refer Note 2 below)	**1,067.54**	**580.42**	**(501.50)**	**(8.74)**	**1,137.72**
	1,526.60	179.84	(557.48)	(81.42)	*1,067.54*
Total	**1,178.15**	**657.54**	**(554.83)**	**(45.21)**	**1,235.65**
Previous Year	*1,761.64*	*264.50*	*(616.53)*	*(231.46)*	*1,178.15*

* Included in Service Charges under Other expenses

Note:

1. The Group gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature, frequency and average cost of warranty claims.

2. Other provisions include provision for contingencies as disclosed above which represent the Group's best estimate of the future outflow of economic benefits that will be required for certain indirect tax 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.

44. Employee Benefits :

<u>Brief description of the Plans:</u>

The Group has various schemes for long term benefits such as Provident Fund (in case of certain employees), Gratuity, Superannuation, Employees State Insurance Fund (ESIC), Employees Pension Scheme, Compensated Absences, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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. 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 Forbes & Company Limited, 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 in certain cases the Investments are made in various schemes of the trust. The Group funds the plan on a periodical basis.
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 / provident fund managed by the trust set up by the Group which are charged to the Statement of Profit and Loss as incurred.

A large portion of assets managed by the group 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.
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. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in Government Securities, Special deposit Scheme, Debt instrument and Corporate bonds. Due to the long-term nature of the plan liabilities, the board of the Eureka Forbes Limited Employees Gratuity Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.

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., 2022	*Year Ended 31st Mar., 2021*
Employer's contribution to Provident Fund (excluding contribution to trust)	**108.25**	*191.53*
Employer's contribution to Pension Fund	**9.49**	*21.33*
Employer's contribution to Superannuation Fund	**52.19**	*57.75*
Employer's contribution to ESIC and other funds	**38.19**	*19.72*

Included in Contribution to Provident and Other Funds (Refer Note 32)

II. Disclosures for defined benefit plans based on actuarial valuation reports as on 31st March, 2022.

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., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*
Present Value of Defined Benefit Obligation as at beginning of the year	**740.66**	*779.09*	**95.39**	*121.33*	**301.70**	*304.67*
Interest Cost	**45.00**	*48.18*	**5.32**	*6.99*	**19.02**	*19.60*
Current Service Cost	**18.63**	*30.47*	**7.53**	*11.57*	**-**	*-*
Benefits Paid	**(81.77)**	*(134.30)*	**(54.58)**	*(65.87)*	**(38.44)**	*(45.32)*
Remeasurement of defined benefit obligation	**22.63**	*17.22*	**(4.79)**	*21.37*	**(41.68)**	*22.75*
Present Value of Defined Benefit Obligation as at the end of the year	**745.15**	*740.66*	**48.87**	*95.39*	**240.60**	*301.70*

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)	
	Year Ended	
	31st Mar., 2022	*31st Mar., 2021*
Fair Value of Plan Assets as at beginning of the year	**580.69**	*595.05*
Return on Plan Assets (excluding interest income/ expense)	**2.54**	*(4.82)*
Interest income	**36.35**	*38.26*
Contributions from employer	**42.00**	*86.50*
Benefits Paid	**(81.77)**	*(134.30)*
Fair Value of Plan Assets as at the end of the year	**579.81**	*580.69*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

C. Amount recognised in the Balance Sheet

₹ in Lakhs

	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended	
Particulars	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*
Present Value of Defined Benefit Obligation as at the end of the year	**745.15**	*740.66*	**48.87**	*95.39*	**240.60**	*301.70*
Fair Value of Plan Assets as at end of the year	**579.81**	*580.69*	**-**	-	**-**	-
Net Liability recognised in the Balance Sheet	**165.34**	*159.97*	**48.87**	*95.39*	**240.60**	*301.70*

Total Liability	**214.21**	*255.36*	**240.60**	*301.70*
Non-Current (Refer Note 19A)	**102.05**	*134.32*	**207.29**	*258.22*
Current (Refer Note 19B)	**112.16**	*121.04*	**33.31**	*43.48*

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year Ended		Year Ended		Year Ended	
Particulars	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*
Current Service Cost	**18.63**	*30.47*	**7.53**	*11.57*	**-**	-
Net interest	**8.65**	*9.92*	**5.32**	*6.99*	**19.02**	*19.60*
Total Expenses / (Income) recognised in the Statement of Profit And Loss*	**27.28**	*40.39*	**12.85**	*18.56*	**19.02**	*19.60*

*Included in Salaries and Wages and Contribution to Provident and Other Funds (Refer Note 32).

E. Expenses Recognized in the Other Comprehensive Income (OCI)

₹ in Lakhs

	Gratuity (Funded)		Gratuity (Non-Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
Particulars	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*	31st Mar., 2022	*31st Mar., 2021*
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in demographic assumptions	**(0.18)**	-	**-**	-	**-**	*(11.01)*
Actuarial (Gains)/Losses on Obligation For the Year - Due to changes in financial assumptions	**(11.53)**	*30.80*	**(0.79)**	*(6.27)*	**(4.04)**	*12.91*
Actuarial (Gains)/Losses on Obligation For the Year - Due to experience adjustment	**34.34**	*(13.58)*	**(4.00)**	*27.64*	**(37.63)**	*20.85*
Return on Plan Assets, excluding Interest Income	**(2.54)**	*4.82*	**-**	-	**-**	-
Net (Income)/Expense For the Year Recognized in OCI	**20.09**	*22.04*	**(4.79)**	*21.37*	**(41.67)**	*22.75*

Other Comprehensive Income pertaining to discontinued operations is Rs. 180.20 Lakhs

F. Principal actuarial assumptions used:

Particulars	Gratuity As at 31st Mar., 2022	Gratuity As at *31st Mar., 2021*	Others (Post Retirement medical and non compete fees) As at 31st Mar., 2022	Others (Post Retirement medical and non compete fees) As at *31st Mar., 2021*
Discount Rate (per annum)	**6.09 % - 6.70%**	*5.58% - 6.26%*	**7.33% & 6.84%**	*6.26% & 6.90%*
Salary escalation rate	**4.50% - 5.00%**	*4.50% - 5.00%*	**0.00%**	*0.00%*
Rate of employee turnover	**11.89% - 20.00%**	*11.89% - 20.00%*	**0.00%**	*0.00%*
Mortality Rate #	**Indian Assured lives Mortality (2006-08)**	*Indian Assured lives Mortality (2006-08)*		

In case of Forbes Technosys Limited, a subsidiary, it is assumed that the active members of the scheme will experience in-service mortality in accordance with the Indian Assured lived mortality (2012-14) Urban.

G. Movements in the present value of defined benefit obligation are as follows:

₹ in Lakhs

Particulars	Gratuity (Funded) As at 31st Mar., 2022	Gratuity (Funded) *As at 31st Mar., 2021*	Gratuity (Unfunded) As at 31st Mar., 2022	Gratuity (Unfunded) *As at 31st Mar., 2021*	Others (Post Retirement medical and non compete fees) (Non funded) As at 31st Mar., 2022	Others (Post Retirement medical and non compete fees) (Non funded) *As at 31st Mar., 2021*
Opening Net Liability	**159.96**	*184.03*	**95.39**	*121.33*	**301.70**	*304.67*
Expenses Recognized in Statement of Profit or Loss	**27.28**	*40.39*	**12.85**	*18.56*	**19.02**	*19.60*
Expenses Recognized in OCI	**20.09**	*22.04*	**(4.79)**	*21.37*	**(41.67)**	*22.75*
(Benefit Paid Directly by the Employer)	**-**	*-*	**(54.58)**	*(65.87)*	**(38.44)**	*(45.32)*
(Employer's Contribution)	**(42.00)**	*(86.50)*	**-**	*-*	**-**	*-*
Net Liability/(Asset) Recognized in the Balance Sheet	**165.33**	*159.96*	**48.87**	*95.39*	**240.61**	*301.70*

H. Category of Assets

₹ in Lakhs

Particulars	As at 31st Mar., 2022 Gratuity (Funded)	*As at 31st Mar., 2021 Gratuity (Funded)*
Insurance fund	**579.82**	*580.69*
Total	**579.82**	*580.69*

I. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Gratuity: Estimated for the year ended 31st Mar., 2022	Gratuity: *Estimated for the year ended 31st Mar., 2021*	Others (Post Retirement medical and non compete fees) (Non funded): Estimated for the year ended 31st Mar., 2022	Others (Post Retirement medical and non compete fees) (Non funded): *Estimated for the year ended 31st Mar., 2021*
1st Following Year	**140.43**	*115.98*	**33.31**	*43.48*
2nd Following Year	**122.16**	*94.34*	**33.31**	*43.48*
3rd Following Year	**144.45**	*134.25*	**33.31**	*43.48*
4th Following Year	**90.86**	*123.63*	**33.31**	*43.48*
5th Following Year	**92.60**	*74.20*	**33.31**	*43.48*
Sum of Years 6 and above	**393.33**	*408.74*	**166.57**	*217.40*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

J. Sensitivity Analysis

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Impact of +1% Change in Rate of Discounting	**(26.12)**	*(29.04)*
Impact of -1% Change in Rate of Discounting	**28.44**	*31.65*
Impact of +1% Change in Rate of Salary Increase	**27.14**	*31.84*
Impact of -1% Change in Rate of Salary Increase	**(25.94)**	*(29.75)*
Impact of +1% Change in Rate of Employee Turnover	**2.45**	*1.81*
Impact of -1% Change in Rate of Employee Turnover	**(2.72)**	*(2.03)*

The above sensitivity analyses are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

Some of the Indian subsidiaries operate defined benefit gratuity plan for its employees, which requires contributions to be made to a separately administered fund or a financial institution. It is governed by the Payment of Gratuity Act, 1972. 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.

In respect of foreign subsidiaries of the Group, retirement benefits are governed and accrued as per local statutes and there are no defined benefit plans. The amount contributed to the defined contribution plan is charged to the Statement of Profit and Loss on accrual basis. Hence the above table includes the details of Company's incorporated in India only.

K. Provident Fund

The Group has established Provident Fund namely Forbes & Company Ltd. 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., 2022	*As at 31st Mar., 2021*
Employer's contribution to the provident fund trust	**89.41**	*83.77*

The details of Group's provident fund and planned assets position as at year end is given below:

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Present value of Defined Benefit Obligation as at year end	**3,374.11**	*3,547.85*
Planned assets as at year end	**3,589.90**	*3,327.05*

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Lakhs

Particulars	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Approach used	**Deterministic**	*Deterministic*
Increase in compensation levels	**4.50%**	*4.50%*
Discount Rate	**6.70%**	*6.26%*
Attrition Rate *	**11.89%**	*11.89%*
Reinvestment Period on Maturity	**5 years**	*5 years*
Expected Guaranteed Interest Rate	**8.10%**	*8.50%*
Average Expected Future Service	**6 years**	*6 years*
Average Term to Maturity	**4 years**	*4.41 years*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

L. The liability for Compensated absences (Non – Funded) as at year end is ₹ 334.51 Lakhs *(Previous Year ₹ 390.36 Lakhs)* (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ 270.38 Lakhs *(Previous Year ₹ 371.78 Lakhs)*.

45 Financial Instruments

45.1 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 20 and 25 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., 2022	*As at 31st Mar., 2021*
Total Equity	**8,238.24**	*(7,659.15)*
Short Term Borrowings (includes current maturities of long term borrowings)	**16,092.78**	*15,301.82*
Long Term Borrowings (includes accrued interest)	**7,035.38**	*17,135.81*
Current maturities of long term borrowings	**4,690.05**	*18,266.72*
Lease Liability	**1,693.08**	*1,704.20*
Total Debt	**29,511.29**	*52,408.55*
Cash and Cash equivalents	**1,730.76**	*5,839.42*
Bank balances other than above	**448.26**	*910.17*
Balance held as margin money with banks with remaining maturity period of more than 12 months	**18.76**	*19.32*
Net Debt	**27,313.51**	*45,639.64*
Debt Equity ratio	**3.58**	*(6.84)*
Debt Equity Ratio = Total Debt / Total Equity		

45.2 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.

45.3 Market Risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 45.7) and interest rates (Refer Note 45.6). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

45.4 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.

45.5 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

The Group has undrawn credit lines available as at the end of the reporting period of ₹ 892.82 Lakhs *(Previous Year ₹ 9,016.92 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 Group can be required to pay. The tables include principal and interest cash flows. The amounts reflected are gross and undiscounted.

₹ in Lakhs

	As at 31st Mar., 2022		
Maturities of Financial Liabilities as at the Balance Sheet date	**Upto 1 year**	**1 to 5 years**	**5 years and above**
Borrowings (includes interest)	21,875.44	6,341.64	478.90
Trade Payables	8,094.35	-	-
Other Financial Liabilities	2,505.95	250.00	-
Lease Liabilities (undiscounted values)	503.66	1,185.60	16.87
	32,979.40	**7,777.24**	**495.77**

₹ in Lakhs

	As at 31st Mar., 2021		
Maturities of Financial Liabilities as at the Balance Sheet date	*Upto 1 year*	*1 to 5 years*	*5 years and above*
Borrowings (includes interest)	*33,560.19*	*15,322.16*	*3,414.72*
Trade Payables	*9,853.01*	-	-
Other Financial Liabilities	*3,524.89*	*626.43*	-
Lease Liabilities (undiscounted values)	*615.71*	*1,234.65*	*113.50*
	47,553.80	*17,183.24*	*3,528.22*

45.6 Interest Rate Risk and Sensitivity Analysis

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

The Group is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates.

The sensitivity analysis 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.

If interest rates had been 100 basis points higher/lower and all other variables were held constant, the Group's.

- Profit for the year ended 31st March, 2022 would decrease/increase by ₹ 150.31 Lakhs respectively. This is mainly attributable to the Group's exposure to borrowings at floating interest rates.

- Loss for the year ended 31st March, 2021 would decrease/increase by ₹ 467.95 Lakhs respectively. This is mainly attributable to the Group's exposure to borrowings at floating interest rates (including the borrowings of disontinued operations).

45.7 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31st Mar., 2022				*As at 31st Mar., 2021*			
	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	0.35	26.83	6.35	480.06	*0.37*	*27.12*	*57.78*	*4,235.12*
GBP	-	-	0.61	60.73	-	-	*0.25*	*25.23*
EUR	-*	0.23	-	-	*0.73*	*62.75*	-	-

Currencies	As at 31st Mar., 2022		*As at 31st Mar., 2021*	
	Security Deposits		*Security Deposits*	
	FC (Amount in Lakhs)	₹ in Lakhs	*FC (Amount in Lakhs)*	*₹ in Lakhs*
USD	-	-	*9.94*	*728.58*

Currencies	As at 31st Mar., 2022				*As at 31st Mar., 2021*			
	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	0.31	23.73	3.71	280.50	*28.76*	*2,108.03*	*33.94*	*2,487.71*
EUR	0.02	2.01	3.80	319.48	*0.29*	*24.93*	*8.06*	*692.85*
CHF	-	-	-	-	-	-	*0.02*	*1.55*
GBP	-	-	-	-	-	-	-*	-*
AUD	-	-	2.04	115.59	-	-	-*	-*
AED	-	-	0.29	6.03	-	-	*0.26*	*5.19*

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

Currencies	As at 31st Mar., 2022		*As at 31st Mar., 2021*	
	Loan from Banks		*Loan from Banks*	
	FC (Amount in Lakhs)	₹ In Lakhs	*FC (Amount in Lakhs)*	*₹ In Lakhs*
USD	-	-	*80.93*	*5,931.95*

Currencies	As at 31st Mar., 2022		*As at 31st Mar., 2021*	
	Interest Accrued on Borrowings		*Interest Accrued on Borrowings*	
	FC (Amount in Lakhs)	₹ In Lakhs	*FC (Amount in Lakhs)*	*₹ In Lakhs*
USD	-	-	*0.55*	*40.31*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Currencies	As at 31st Mar., 2022		*As at 31st Mar., 2021*	
	Cash and Bank Balances		*Cash and Bank Balances*	
	FC (Amount in Lakhs)	₹ In Lakhs	*FC (Amount in Lakhs)*	*₹ In Lakhs*
USD	**0.81**	**60.95**	*45.58*	*3,340.89*
EUR	**0.01**	**0.70**	*0.05*	*4.30*

Of the above, the Group is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Group's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

As on 31st March, 2022

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%	7.47	4.07	12.85
USD	Decrease by 5%	7.47	4.07	(12.85)
GBP	Increase by 5%	0.61	-	3.03
GBP	Decrease by 5%	0.61	-	(3.03)
EUR	Increase by 5%	0.03	3.81	(15.88)
EUR	Decrease by 5%	0.03	3.81	15.88

As on 31st March, 2021

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%	*142.06*	*115.79*	96.28
USD	Decrease by 5%	*142.06*	*115.79*	(96.28)
GBP	Increase by 5%	*0.25*	-	1.26
GBP	Decrease by 5%	*0.25*	-	(1.26)
EUR	Increase by 5%	*0.34*	*8.79*	(36.32)
EUR	Decrease by 5%	*0.34*	*8.79*	36.32

Derivatives Financial Instruments

The Group has entered into foreign currency options to cover its exchange rate risks pertaining to its foreign currency borrowings.

The following table details the significant derivative financial instruments outstanding at the end of the reporting period.

Derivative Financial Instruments	As at 31st Mar., 2022	*As at 31st Mar., 2021*
Cross Currency Interest Rate Swap	**Notional Value USD in Lakhs**	*Notional Value USD in Lakhs*
	-	*67.06*
	Fair Value ₹ in Lakhs	*Fair Value ₹ in Lakhs*
	-	*(117.13)*

45.8 Fair Value Disclosures

		As at 31st Mar., 2022			As at 31st Mar., 2021		
a)	**Categories of Financial Instruments:**	**FVTPL ****	**FVOCI *****	**Amortised Cost**	**FVTPL ****	**FVOCI *****	**Amortised Cost**
	Financial Assets						
	Investments *	0.18	9,766.73	3.92	0.68	-	3.92
	Loans	-	-	0.83	-	-	1.52
	Cash and Bank Balances	-	-	2,179.02	-	-	6,749.59
	Trade Receivables	-	-	9,794.27	-	-	12,976.50
	Other Financial Assets	-	-	684.21	-	-	3,016.65
		0.18	**9,766.73**	**12,662.25**	**0.68**	**-**	**22,748.18**
	Financial liabilities						
	Borrowings	-	-	27,517.34	-	-	50,597.32
	Trade Payables	-	-	8,094.35	-	-	9,853.01
	Other Financial Liabilities	-	-	3,056.82	20.17	-	4,258.35
	Lease Liabilities	-	-	1,693.08	-	-	1,704.20
		-	**-**	**40,361.59**	**20.17**	**-**	**66,412.88**

* Excludes investment in equity shares of Associates and Joint ventures amounting to ₹ 1,936.38 lakhs (Previous Year ₹ 6,011.34 lakhs) accounted using equity method/ carried at cost less impairment.

** Mandatorily measured at fair value in accordance with Ind AS 109.

*** "Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the Group has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss account.

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Group considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

Financial Assets	**As at 31st Mar., 2022**				
	Carrying value	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL					
Investments					
Investments in Equity Instruments	0.18	-	-	0.18	0.18
Measured at FVOCI					
Investments					
Investments in Equity Instruments	9,766.73	9,766.73	-	-	9,766.73

Financial Liabilities	As at 31st Mar., 2022				
	Carrying value	Level 1	Level 2	Level 3	Total
Other Financial Liabilities					
Derivatives accounted at FVTPL	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ in Lakhs

Financial Assets	*As at 31st Mar., 2021*				
	Carrying value	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL					
Investments					
Investments in Equity Instruments	*0.68*	-	-	*0.68*	*0.68*
Measured at FVOCI					
Investments					
Investments in Equity Instruments	-	-	-	-	-
Financial Liabilities	*Carrying value*	*As at 31st Mar., 2021*			
		Level 1	*Level 2*	*Level 3*	*Total*
Other Financial Liabilities					
Derivatives accounted at FVTPL	*20.17*	-	*20.17*	-	*20.17*

Note:
There are no transfers between level 1, level 2 and level 3 during the year.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the period ended 31st March, 2022 and 31st March, 2021.

₹ in Lakhs

	Total
As at 31st March, 2020	0.68
Purchases made during the year	-
Sales made during the year	-
As at 31st March, 2021	0.68
Fair value gain/ (loss) recognised in the Statement of Profit and Loss	(0.50)
Purchases made during the year	-
Sales made during the year	-
As at 31st March, 2022	**0.18**

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 of 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 financial instruments 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.

46. Segment reporting

The Chief Operating Decision maker of the Group examines the Group's performance from a product portfolio and the industries in which they operate and has identified five reportable segments at group level.

The Group has identified business segments as its primary segment and geographical segment as its secondary segment. Business segments are primarily "Health, Hygiene, Safety Products and its services", "Engineering", "Real estate", "IT Enabled Services and Products" and "Shipping and Logistics Services" segment. The Group caters to the needs of the domestic and export markets.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis considering the product portfolio and reportable segments when evaluated from the group perspective. Accordingly, certain amounts considered as unallocated by individual subsidiaries of the group have been classified for the purposes of the consolidated segment disclosure based on the product portfolio and industry of the respective subsidiary as this would be more relevant to the users of the financial statements.

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 counting 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. During the year the Group has decided to discontinue operations relating to Forbes Express. The segment results, segment assets and segment liabilities from the discontinued operations have been disclosed separately.

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, 2022 - Continued

(a) Information about reportable segments for the year:

₹ in Lakhs

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services		Others		Total		Elimination		Total	
	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021
Segment Revenue	22,402.21	22,642.39	20,631.38	15,935.38	2,901.62	40,295.18	1,066.17	2,828.66	4,442.69	11,540.65	28.50	-	51,472.57	93,242.26	-	-	51,472.57	93,242.26
Inter segment revenue	1.34	-	-	-	70.32	89.98	-	-	-	-	-	27.72	71.66	117.70	(71.66)	(117.70)	-	-
Revenue from operations	22,403.55	22,642.39	20,631.38	15,935.38	2,971.94	40,385.16	1,066.17	2,828.66	4,442.69	11,540.65	28.50	27.72	51,544.23	93,359.96	(71.66)	(117.70)	51,472.57	93,242.26
Segment Results (including exceptional items)	(31,940.71)	(28.32)	2,969.48	1,574.07	753.27	12,688.43	(2,559.34)	(10,264.85)	925.90	(1,129.48)	(15.15)	(26.16)	(29,866.55)	2,813.69	-	-	(29,866.55)	2,813.69
Add: Unallocated income (net of unallocated expenses)																	(679.91)	(1,131.04)
Add: Share of profit of joint ventures																	1,204.45	482.74
Add: Exceptional items other than related to segments (net)																	(230.19)	-
Profit before tax and finance costs																	(29,572.20)	2,165.39
Less: Finance costs																	4,203.22	5,159.07
Profit /(Loss) before tax continuing operations																	(33,775.42)	(2,993.68)
(Loss) before tax from discontinued operations																	4,57,305.48	(653.16)
Profit /(Loss) for the year before tax																	4,23,530.06	(3,646.84)
Provision for taxation:																		
Tax expense (current & deferred) continuing operations																	1,028.11	(6,023.98)
Tax expense (current & deferred) discontinued operations																	(2,078.58)	(1,989.59)
Profit /(Loss) for the year																	4,22,479.59	(11,660.41)
Capital employed																		
Segment assets	14,044.51	46,911.69	16,581.68	15,298.65	16,330.52	15,082.91	4,087.10	8,300.00	-	18,200.46	39.50	26.53	51,083.31	1,03,820.24			51,083.31	1,03,820.24
Assets pertaining to discontinued operations																	5,422.05	88,156.58
Unallocated corporate assets																	23,210.80	12,311.68
Total assets	14,044.51	46,911.69	16,581.68	15,298.65	16,330.52	15,082.91	4,087.10	8,300.00	-	18,200.46	39.50	26.53	51,083.31	1,03,820.24			79,716.16	2,04,288.50
Segment liabilities	10,282.29	17,650.75	8,315.82	9,161.76	18,838.27	17,245.84	13,816.19	18,777.00		9,777.66	3,500.20	1,091.70	54,752.77	73,704.71			54,752.77	73,704.71
Liabilities pertaining to discontinued operations																	4,957.01	1,28,749.85
Unallocated corporate liabilities																	11,768.14	9,493.09
Total liabilities	10,282.29	17,650.75	8,315.82	9,161.76	18,838.27	17,245.84	13,816.19	18,777.00	-	9,777.66	3,500.20	1,091.70	54,752.77	73,704.71			71,477.92	2,11,947.65
Capital employed	3,762.22	29,260.94	8,265.86	6,136.89	(2,507.75)	(2,162.93)	(9,729.09)	(10,477.00)	-	8,422.80	(3,460.70)	(1,065.17)	(3,669.46)	30,115.53			8,238.24	(7,659.15)
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	1,199.29	620.04	1,299.68	357.04	23.99	-	49.45	699.48	1,147.17	63.25	-	-	3,719.58	1,739.81			3,719.58	1,739.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Particulars	Health, Hygiene, Safety Products and its services		Engineering		Real estate		IT Enabled Services and Products		Shipping and Logistics Services		Others		Total		Elimination		Total	
	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress																	-	-
Total capital expenditure	**1,199.29**	*620.04*	**1,299.68**	*357.04*	**23.99**	-	**49.45**	*699.48*	**1,147.17**	*63.25*	-	-	**3,719.58**	*1,739.81*			**3,719.58**	*1,739.81*
Segment depreciation/ amortisation	**1,024.41**	*3,889.88*	**1,179.54**	*1,151.04*	**84.50**	*234.87*	**562.83**	*1,934.12*	**1,246.49**	*2,469.39*	**0.29**	-	**4,098.06**	*9,679.30*			**4,098.06**	*9,679.30*
Unallocated corporate depreciation / amortisation																	**45.57**	*45.23*
Total depreciation / amortisation	**1,024.41**	*3,889.88*	**1,179.54**	*1,151.04*	**84.50**	*234.87*	**562.83**	*1,934.12*	**1,246.49**	*2,469.39*	**0.29**	-	**4,098.06**	*9,679.30*			**4,143.63**	*9,724.53*
Non-cash segment expenses other than depreciation	★ **34,103.05**	★ *7,145.12*	**16.12**	*23.62*	**3.99**	*35.54*	**1,912.57**	*7,505.49*	**489.75**	*4,610.52*	-	-	**36,525.48**	*19,320.29*			**36,525.48**	*19,320.29*
Unallocated non-cash expenses other than depreciation																	**183.62**	*204.23*
Total non-cash expenses other than depreciation	**34,103.05**	*7,145.12*	**16.12**	*23.62*	**3.99**	*35.54*	**1,912.57**	*7,505.49*	**489.75**	*4,610.52*	-	-	**36,525.48**	*19,320.29*			**36,709.10**	*19,524.52*

* Includes a non-cash charge of impairment of goodwill/ investment in Joint Venture of Rs. 33,767.32 Lakhs for the year ended 31st March, 2022 (for the year ended 31st March, 2021 Rs. 979.00 Lakhs)

\+ Includes gain on loss of control of SPFSL Rs 166.67 Lakhs for the year ended 31st March, 2022.

& Includes provision for slow-moving damaged or obsolete inventories of Rs. 1,157.84 Lakhs for the year ended 31st March, 2022 (for the year ended 31st March, 2021 Rs. 451.25 Lakhs).

^ Includes gain on capital reduction of Shapoorji Pallonji Forbes Shipping Limited (SPFSL) of Rs. 792.71 Lakhs for the year ended 31st March, 2022.

** Includes a non-cash charge of impairment of intangible assets and intangible assets under development of Rs. 161.49 Lakhs for the year ended 31st March, 2021

$ Includes a provision for shortfall in expected recoverable value for assets held for sale/ loss on sale of assets of Rs. 663.90 Lakhs for the ended 31st March, 2022 (for the year ended 31st March, 2021 ₹ 4,610.52 Lakhs).

(b) Geographical information

Revenue

Non-Current Asset (excluding financial assets and tax assets)

Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress

★ Includes ₹ 1,172.05 Lakhs towards arrears of rental income classified as an exceptional item.

(c) Information about major customer

No single customer contributed 10% or more to the group's revenue for the year ended 31st March, 2022 and 31st March, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

47. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures

Current Year

	Particulars								
	Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit/(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	47.36	3,901.92	97.83	4,13,293.91	0.33	21.59	96.35	4,13,315.50
	Subsidiaries								
	Indian								
1	Eureka Forbes Limited	-	-	0.29	1,215.33	(0.56)	(36.46)	0.27	1,178.87
2	Forbes Facility Services Private Limited	5.73	472.19	(0.10)	(418.37)	(2.15)	(139.48)	(0.13)	(557.85)
3	Forbes Enviro Solutions Limited	-	-	(0.05)	(200.18)	0.04	2.31	(0.05)	(197.87)
4	Euro Forbes Financial Services Limited	-	-	-	(0.51)	-	-	-	(0.51)
5	Volkart Fleming Shipping & Services Limited	3.13	257.58	-	(0.01)	-	-	-	(0.01)
6	Forbes Campbell Finance Limited	87.85	7,237.11	(0.17)	(699.56)	116.62	7,580.01	1.60	6,880.45
7	Forbes Campbell Services Limited	0.29	23.66	-	(1.16)	-	-	-	(1.16)
8	Forbes Technosys Limited	(171.44)	(14,123.94)	(1.00)	(4,222.56)	0.07	4.79	(0.98)	(4,217.77)
9	Shapoorji Pallonji Forbes Shipping Limited	-	-	(0.02)	(69.96)	-	-	(0.02)	(69.96)
10	Campbell Properties & Hospitality Services Limited	2.29	188.86	-	6.15	-	-	-	6.15
11	Aquaignis Technologies Private Limited	-	-	(0.02)	(80.98)	-	0.03	(0.02)	(80.95)
12	Infinite Water Solutions Private Limited	-	-	0.11	470.75	-	(0.13)	0.11	470.62
13	Forbes Aquatech Limited	-	-	-	(7.48)	-	-	-	(7.48)
	Foreign								
1	EFL Mauritius Limited	(2.87)	(236.19)	-	-	0.08	5.24	-	5.24
2	Euro Forbes Limited, Dubai	-	-	(0.27)	(1,136.55)	0.08	5.12	(0.26)	(1,131.43)
3	Forbes Lux FZCO	-	-	(0.40)	(1,701.74)	0.42	27.36	(0.39)	(1,674.38)
4	Lux International AG (LIAG) Group	47.14	3,883.69	0.38	1,589.45	(0.25)	(16.45)	0.37	1,573.00
5	Forbes Lux International AG (FLIAG) Group	(113.27)	(9,331.57)	(1.25)	(5,276.00)	7.97	517.94	(1.11)	(4,758.06)
	Joint Ventures								
	Indian								
1	Forbes Bumi Armada Limited	11.42	940.95	0.03	105.72	-	0.10	0.02	105.82
2	Forbes Concept Hospitality Services Private Limited	0.01	0.52	-	(0.43)	-	-	-	(0.43)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

	Particulars								
	Name of the Company	**Net Assets, i.e., total assets minus total liabilities**		**Share in profit/(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**
	Foreign								
1	AMC Cookware (Proprietary) Limited	-	-	0.15	632.98	-	-	0.15	632.98
	Associates								
	Indian								
1	Nuevo Consultancy Services Private Limited (including Dhan Gaming Solution (India) Private Limited)	12.08	994.91	0.11	465.19	-	-	0.11	465.19
2	Shapoorji Pallonji Forbes Shipping Limited	21.87	1,802.01	-	-	-	-	-	-
	Adjustment/ elimimation on consolidation	148.66	12,246.79	4.40	18,621.01	(22.65)	(1,472.24)	4.00	17,148.77
	Non-controlling Interest in all subsidiaries	(0.25)	(20.25)	(0.02)	(105.41)	-	(0.01)	(0.02)	(105.42)
	Total	**100.00**	**8,238.24**	**100.00**	**4,22,479.59**	**100.00**	**6,499.72**	**100.00**	**4,28,979.31**

* Percentage is below the rounding off norm adopted by Group.

47. Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary/ Associates / Joint Ventures

Previous Year

	Particulars								
	Name of the Company	*Net Assets, i.e., total assets minus total liabilities*		*Share in profit/(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	*(222.34)*	*17,029.37*	*26.61*	*(3,102.83)*	*(1.49)*	*(33.52)*	*33.32*	*(3,136.35)*
	Subsidiaries								
	Indian								
1	*Eureka Forbes Limited*	*184.72*	*(14,148.10)*	*(44.93)*	*5,239.27*	*(4.03)*	*(90.58)*	*(54.70)*	*5,148.69*
2	*Forbes Facility Services Private Limited*	*(13.45)*	*1,030.03*	*(1.81)*	*210.76*	*3.88*	*87.27*	*(3.17)*	*298.03*
3	*Forbes Enviro Solutions Limited*	*(0.18)*	*13.86*	*1.40*	*(163.05)*	*0.07*	*1.63*	*1.71*	*(161.42)*
4	*Euro Forbes Financial Services Limited*	*(0.03)*	*1.92*	*-*	*(0.24)*	*-*	*-*	*-*	*(0.24)*
5	*Volkart Fleming Shipping & Services Limited*	*(3.36)*	*257.60*	*2.96*	*(345.10)*	*-*	*-*	*3.67*	*(345.10)*
6	*Forbes Campbell Finance Limited*	*(20.37)*	*1,560.15*	*19.98*	*(2,329.90)*	*70.73*	*1,589.85*	*7.86*	*(740.05)*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

	Name of the Company	Net Assets, i.e., total assets minus total liabilities		Share in profit/(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
7	Forbes Campbell Services Limited	(0.32)	24.82	(0.02)	2.78	-	-	(0.03)	2.78
8	Forbes Technosys Limited	191.39	(14,658.67)	113.01	(13,177.32)	(0.95)	(21.37)	140.22	(13,198.69)
9	Shapoorji Pallonji Forbes Shipping Limited	(102.47)	7,848.38	44.03	(5,134.31)	-	-	54.55	(5,134.31)
10	Campbell Properties & Hospitality Services Limited	(2.39)	182.72	-	0.03	-	-	-	0.03
11	Aquaignis Technologies Private Limited	(3.17)	243.01	0.57	(66.32)	-	(0.01)	0.70	(66.33)
12	Infinite Water Solutions Private Limited (become subsidiary from 31st March 2021)	(22.25)	1,704.06	-	-	-	-	-	-
13	Forbes Aquatech Limited (become subsidiary from 28th August 2020)	(20.08)	1,538.12	(0.64)	74.60	(0.01)	(0.15)	(0.79)	74.45
	Foreign								
1	EFL Mauritius Limited	3.15	(241.43)	0.10	(11.92)	(168.15)	(3,779.59)	40.28	(3,791.51)
2	Euro Forbes Limited, Dubai	(17.01)	1,302.45	0.08	(9.11)	0.36	8.15	0.01	(0.96)
3	Forbes Lux FZCO	(23.55)	1,803.96	20.16	(2,350.97)	6.00	134.97	23.54	(2,216.00)
4	Lux International AG (LIAG) Group	23.42	(1,793.97)	(50.50)	5,888.35	(67.48)	(1,516.90)	(46.44)	4,371.45
5	Forbes Lux International AG (FLIAG) Group	252.65	(19,350.60)	125.48	(14,632.03)	(156.31)	(3,513.44)	192.78	(18,145.47)
	Joint Ventures								
	Indian								
1	Forbes Bumi Armada Limited	(10.90)	835.10	(0.70)	81.49	(0.01)	(0.28)	(0.86)	81.21
2	Forbes Concept Hospitality Services Private Limited	-	0.09	-	(0.30)	-	-	-	(0.30)
	Foreign								
1	AMC Cookware (Proprietary) Limited	(62.53)	4,788.92	(1.43)	166.69	-	-	(1.77)	166.69
	Associates								
	Indian								
1	Nuevo Consultancy Services Private Limited (including Dhan Gaming Solution (India) Private Limited)	(6.92)	529.73	(0.96)	111.37	-	-	(1.18)	111.37
	Adjustment/ elimimation on consolidation	60.10	(4,604.00)	(186.80)	21,781.48	417.43	9,382.67	(331.09)	31,164.15
	Non-controlling Interest in all subsidiaries	(84.11)	6,443.31	33.41	(3,893.83)	(0.04)	(0.89)	41.39	(3,894.72)
	Total	**100.00**	**(7,659.15)**	**100.00**	**(11,660.41)**	**100.00**	**2,247.81**	**100.00**	**(9,412.60)**

* Percentage is below the rounding off norm adopted by Group.

48. Related Party Disclosures

(a) Name of the Related Parties and Description of Relationship:

(A) <u>Holding Company</u>

1 Shapoorji Pallonji & Company Private Limited

(B) <u>Fellow Subsidiaries/ Enterprises under common control :(where there are transactions in the current/ previous year)</u>

Afcons Infrastructure Limited
Eureka Forbes Institute of Environment (Trust)
Forvol International Services Limited
Jaykali Developer Private Limited
Shapoorji Pallonji Investment Advisors Private Limited
Gokak Textiles Limited
Gossip Properties Private Limited
Shapoorji Pallonji Development Managers Private Limited (formerly Lucrative Properties Private Limited)
Next Gen Publishing Limited
HPCL Shapoorji Energy Private Limited
Relationship Properties Private Limited
Shapoorji Pallonji Infrastructure Capital Company Private Limited
Shapoorji Pallonji Engineering and Construction Private Limited
Shapoorji Infrastructure Private Limited
Shapoorji Pallonji Oil & Gas Private Limited
Sterling and Wilson Private Limited
Sterling and Wilson Solar Limited
Sterling Investment Corporation Private Limited
Transtonnelstroy Afcons Joint Venture
Paikar Real Estates Private Limited
Joyville Shapoorji Housing Private Limited
SD Corporation Private Limited
Shapoorji Pallonji Finance Private Limited
Shapoorji Pallonji Rural Solutions Private Limited
United Motors (India) Private Limited
Grand View Estates Private Limited
Stonesteel Prefab Infra Private Limited (w.e.f. April 1st, 2019)
Coventry Properties Private Limited
Simar Port Private Limited
Image Realty LLP
ESPI Holdings Mauritius Limited

(C) <u>Associate Companies</u>:

Nuevo Consultancy Services Private Limited
Shapoorji Pallonji Forbes Shipping Limited (w.e.f 1st March, 2022)
Euro P2P Direct (Thailand) Co. Limited (Refer Note 66)
Dhan Gaming Solution (India) Private Limited

(D) <u>Joint Ventures</u> :

Forbes Concept Hospitality Services Private Limited
Forbes Aquatech Limited (upto 27th August 2020)
Infinite Water Solutions Private Limited (upto 30th March 2021)
AMC Cookware (Proprietary) Limited (Upto December 01, 2021)
Forbes Bumi Armada Limited

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(E) Joint Ventures/ Associates of Holding Company / Fellow Subsidiaries :(where there are transactions)
Shapoorji Pallonji Bumi Armada Offshore Limited (formerly known as Forbes Bumi Armada Offshore Limited)
M/s G.S. Enterprise
SP Armada Oil Exploration Private Limited
Shapoorji Pallonji Armada Oil and Gas Services Private Limited

(F) Key Management Personnel :
Managing Director of Forbes & Company Limited, Mr. Mahesh Tahilyani
Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff (Refer Note 66)

Non Executive Directors of Forbes & Company Limited

Shapoor P.Mistry	Chairman
Jai L. Mavani	Non-Executive Director
D. Sivanandhan	Independent Director
Rani Jadhav	Independent Director
Nikhil Bhatia	Independent Director

(G) Post employment benefit plan
Forbes & Company Limited Employees Provident Fund
Eureka Forbes Limited Employees Gratuity Fund (Refer Note 66)
Eureka Forbes Limited Employees Provident Fund (Refer Note 66)
Eureka Forbes Limited Managing Staff Superannuation Scheme (Refer Note 66)

48. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables and Capital Creditors	936.86	4.57	371.47	-	-	-	**1,312.90**
2	Advances received from customer	29.03	-	-	-	-	-	**29.03**
3	Interest accrued	2,184.08	145.17	101.70	-	-	-	**2,430.95**
4	Trade Receivables	54.13	199.17	10.74	-	72.24	-	**336.28**
5	Contractually reimbursable expense	-	8.02	-	-	-	-	**8.02**
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	**1,000.00**
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-
9	Deposits Payable	7,175.00	398.37	2,200.00	-	-	-	**9,773.37**
10	Other Payables	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-
	Transactions							
	Purchases / Services							
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-
16	Receiving of Services	8.66	-	-	-	-	-	**8.66**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ 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
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	2,440.40	-	516.27	-	-	-	**2,956.67**
	Sales / Services							
18	Goods and Materials	2.80	33.70	539.92	-	1.45	-	**577.87**
19	Services Rendered	262.59	724.28	-	-	269.86	-	**1,256.73**
	Expenses							
20	Repairs and Other Expenses	97.04	5.12	-	-	-	-	**102.16**
21	CSR Contribution	-	-	-	-	-	-	**-**
22	Travelling and conveyance expenses	-	33.12	-	-	-	-	**33.12**
23	Management Fees	601.94	-	-	-	-	-	**601.94**
24	Legal and professional charges	105.50	-	-	-	-	-	**105.50**
25	Recovery of Expenses	-	-	-	-	-	-	**-**
26	Dividend Paid	-	-	-	-	-	-	**-**
27	Interest Paid	868.64	151.72	20.55	-	243.45	-	**1,284.38**
28	Balances written off loans and advances /Trade receivable	-	-	857.74	-	-	-	**857.74**
29	Remuneration	-	-	-	-	-	639.10	**639.10**
30	Miscellaneous expenses	0.05	-	-	-	-	-	**0.05**
31	Selling & Distribution Expenses	-	-	144.46	-	-	-	**144.46**
32	Advertisement and sales promotion	-	-	-	-	-	-	**-**
	Income							
33	Rent and Other Service Charges	20.47	120.10	1.85	-	0.52	-	**142.94**
34	Interest Received	-	1.73	-	-	-	-	**1.73**
35	Guarantee Commission	-	-	0.44	-	-	-	**0.44**
36	Miscellaneous Income	-	-	0.45	-	-	-	**0.45**
	Other Receipts							
37	Other Reimbursements (Receipts)	-	88.02	-	-	-	-	**88.02**
38	Other Reimbursements (Payments)	-	1.20	139.84	-	-	-	**141.04**
	Finance							
39	Inter-corporate deposits given	-	500.00	-	-	-	-	**500.00**
40	Inter-corporate deposits taken	-	-	-	-	-	-	**-**
41	Repayment of Deposits Taken	-	-	-	-	-	-	**-**
42	Repayment of Capital on Reduction of Equity Share Capital	-	28.88	-	-	57.75	-	**86.63**
43	Advances received from customers	-	166.31	-	-	-	-	**166.31**

For details of investments in associates and joint ventures refer Notes 10A and 10B

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Group has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

48. Related party disclosures (contd.)

Current Year

(c) transactions/ balances with above mentioned related parties

₹ In Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Eureka Forbes Institute of Envi-ronment (Trust)	ESPI Holding Mauritius Limited	Forvol Inter-national Services Limited	Simar Port Pvt. Ltd	Jaykali Devel-opers Private Limited	Gokak Textiles Limited	Grand View Estates Pvt Ltd	Gossip Prop-erties Private Limited	Next Gen Pub-lishing Limited	Rela-tionship Prop-erties Private Limited	Shapoorji Pallonji Real Estate Private Limited
	Balances													
1	Trade Payables and Capital Creditors	936.86	-	-	-	***	-	-	-	-	-	-	-	-
2	Advances received from customer	29.03	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	2,184.08	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	54.13	61.42	-	-	***	***	***	***	***	***	-	***	38.20
5	Contractually reimbursable expense	-	-	-	-	***	-	-	6.79	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	1,000.00	-	-	-	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	7,175.00	-	-	***	-	-	-	-	-	-	-	-	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions													
	Purchases / Services													
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	8.66	-	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	2,440.40	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services													
18	Goods and Materials	***	***	***	-	-	-	-	-	-	-	-	***	-
19	Services Rendered	262.59	421.54	***	-	***	***	***	-	***	***	-	***	***
	Expenses													
20	Repairs and Other Expenses	97.04	-	-	-	-	-	-	-	-	-	-	-	-
21	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	-	-	-	33.12	-	-	-	-	-	-	-	-
23	Management Fees	601.94	-	-	-	-	-	-	-	-	-	-	-	-
24	Legal and professional charges	105.50	-	-	-	-	-	-	-	-	-	-	-	-
25	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Interest Paid	868.64	-	-	-	-	-	-	-	-	-	-	-	-
28	Balances written off loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Miscellaneous expenses	0.05	-	-	-	-	-	-	-	-	-	-	-	-
31	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Eureka Forbes Institute of Envi-ronment (Trust)	ESPI Holding Mauritius Limited	Forvol Inter-national Services Limited	Simar Port Pvt. Ltd	Jaykali Devel-opers Private Limited	Gokak Textiles Limited	Grand View Estates Pvt Ltd	Gossip Prop-erties Private Limited	Next Gen Pub-lishing Limited	Rela-tionship Prop-erties Private Limited	Shapoorji Pallonji Real Estate Private Limited
	Income													
33	Rent and Other Service Charges	20.47	-	-	-	***	-	-	-	-	-	-	-	-
34	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-
35	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts													
37	Other Reimbursements (Receipts)	-	-	-	-	***	-	-	-	-	-	-	-	-
38	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance													
39	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

		B	B	B	B	B	B	B	B	B	B	B	C	C	C	E
		Shapoorji Pallonji Infrastruc-ture Capital Company Private Limited	Shap-poorji Infra-struc-ture Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fab-ricators Private Limited	Sterling Invest-ment Corpo-ration Private Limited	Shapoorji Pallonji Invest-ment Advisors Pvt. Ltd.	Shapoorji Pallonji Devel-opment Managers Private Limited	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consul-tancy Service Limited	Euro P2P Direct (Thai-land) Co.Lim-ited	Shapoorji Pallonji Forbes Shipping Limited	Armada Madura EPC Limited
	Balances															
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	***	-	371.47	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	***	-	-	-	-	***	-
4	Trade Receivables	***	***	***	-	-	-	-	***	***	-	-	***	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	1.20	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	***	-	***	-	-	-	-	-	***	-	-	-	-	2,200.00	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		B	B	B	B	B	B	B	B	B	B	B	C	C	C	E
		Shapoorji Pallonji Infrastructure Capital Company Private Limited	Shapoorji Infrastructure Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wilson Solar Limited	Sterling and Wilson Private Limited	SP Fabricators Private Limited	Sterling Investment Corporation Private Limited	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	Shapoorji Pallonji Development Managers Private Limited	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consultancy Service Limited	Euro P2P Direct (Thailand) Co.Limited	Shapoorji Pallonji Forbes Shipping Limited	Armada Madura EPC Limited
	Transactions															
	Purchases / Services															
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	-	-	-	-	-	-	-	-	-	-	-	516.27	-	-	-
	Sales / Services															
18	Goods and Materials	-	-	-	-	***	-	-	-	-	-	-	-	539.92	-	-
19	Services Rendered	-	***	***	-	***	-	-	***	***	-	-	-	-	-	-
	Expenses															
20	Repairs and Other Expenses	-	-	-	***	-	***	-	-	-	-	-	-	-	-	-
21	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Interest Paid	-	-	-	-	-	-	***	-	***	-	-	-	-	***	-
28	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	857.74	-	-
29	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	96.40	24.03	24.03	-
32	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income															
33	Rent and Other Service Charges	***	-	114.00	-	-	-	-	-	-	-	***	-	-	***	-
34	Interest Received	-	-	-	-	1.73	-	-	-	-	-	-	-	-	-	-
35	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-	0.44	-
36	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	0.45	-
	Other Receipts															
37	Other Reimbursements (Receipts)	-	-	-	-	-	-	-	-	-	87.57	-	-	-	-	-
38	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	***	-	139.84	-	-	-
	Finance															
39	Inter-corporate deposits given	-	-	-	-	500.00	-	-	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	-	-	-	-	-	28.88	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-	166.31	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		E	E	E	E	E	E	E	E	F	F
		Transtonnelstroy Afcons Joint Venture	**M/s G.S. Enterprise**	**Joyville Shapoorji Housing Private Limited**	**SD Corporation Private Limited**	**Shapoorji Pallonji Finance Private Limited**	**SP Armada Oil Exploration Private Limited**	**Shapoorji Pallonji Armada Oil & Gas Services Private Limited**	**Floreat Investments Private Ltd.**	**Managing Director, Mr. Mahesh Tahilyani**	**Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff**
	Balances										
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	39.67	***	***	***	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	-	-	-	-	-	-	-	-	-	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	-	-	-	-	-	-	-	-	-	-
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	-	-	-	-	-	-	-	-	-	-
	Sales / Services										
18	Goods and Materials	***	-	-	***	-	-	-	-	-	-
19	Services Rendered	-	-	-	***	***	***	161.40	-	-	-
	Expenses										
20	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-
21	CSR Contribution	-	-	-	-	-	-	-	-	-	-
22	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
23	Management Fees	-	-	-	-	-	-	-	-	-	-
24	Legal and professional charges	-	-	-	-	-	-	-	-	-	-
25	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-
26	Dividend Paid	-	-	-	-	-	-	-	-	-	-
27	Interest Paid	-	243.45	-	-	-	-	-	-	-	-
28	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-	-	-	-
29	Remuneration	-	-	-	-	-	-	-	-	371.12	267.98
30	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-
31	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-
32	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-
	Income										
33	Rent and Other Service Charges	-	-	-	-	-	-	-	***	-	-
34	Interest Received	-	-	-	-	-	-	-	-	-	-
35	Guarantee Commission	-	-	-	-	-	-	-	-	-	-
36	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		E	E	E	E	E	E	E	E	F	F
		Transtonnelstroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Corporation Private Limited	Shapoorji Pallonji Finance Private Limited	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Services Private Limited	Floreat Investments Private Ltd.	Managing Director, Mr. Mahesh Tahilyani	Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff
	Other Receipts										
37	Other Reimbursements (Receipts)	-	-	-	-	-	-	-	-	-	-
38	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-
	Finance										
39	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-
40	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-
41	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-
42	Repayment of Capital on Reduction of Equity Share Capital	-	57.75	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-

48. Related party disclosures (contd.)
Previous Year
(d) 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 and Capital Creditors	1,053.65	18.26	258.88	-	-	-	1,330.79
2	Advances received from customer	-	137.24	-	-	-	-	137.24
3	Interest accrued	1,396.11	126.26	-	-	-	-	1,522.37
4	Trade Receivables	311.03	726.88	2,441.66	-	177.02	-	3,656.59
5	Contractually reimbursable expense	-	116.67	-	-	-	-	116.67
6	Preference Shares classified as compound financial instrument	1,000.00	3,090.00	-	-	6,180.00	-	10,270.00
7	Provision for Doubtful Loans and Advances	-	-	870.17	-	-	-	870.17
8	Provision for Doubtful Trade Receivables	-	10.18	1,324.35	-	-	-	1,334.53
9	Deposits Payable	7,175.00	395.22	-	-	23.79	-	7,594.01
10	Other Payables	208.30	-	-	-	-	-	208.30
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	28.60	-	917.51	-	-	-	946.11
	Transactions							
	Purchases / Services							
15	Purchase of Fixed Assets/ Goods and Materials	1.45	-	-	5,060.87	-	-	5,062.32
16	Receiving of Services	11.47	-	-	18.94	-	-	30.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ 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
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	2,151.07	-	626.06	-	-	-	2,777.13
	Sales / Services							
18	Goods and Materials	55.18	101.47	982.03	4,520.92	1.61	-	5,661.21
19	Services Rendered	283.70	1,319.29	9.14	9.60	369.36	-	1,991.09
20	Income from real estate		2,609.17		-	-		2,609.17
	Expenses							
21	Repairs and Other Expenses	86.64	8.80	-	-	-	-	95.44
22	CSR Contribution	-	-	-	-	-	-	-
23	Travelling and conveyance expenses	-	12.46	-	-	-	-	12.46
24	Management Fees	574.75	-	-	-	-	-	574.75
25	Legal and professional charges	26.24	-	-	-	-	-	26.24
26	Recovery of Expenses	0.20	-	-	-	-	-	0.20
27	Dividend Paid	-	-	-	-	-	-	-
28	Interest expense	1,019.62	161.37	-	223.99	248.29	-	1,653.27
29	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-
30	Remuneration	-	-	-	-	-	428.91	428.91
31	Miscellaneous expenses	0.20	-	-	-	-	-	0.20
32	Selling & Distribution Expenses	-	-	168.25	-	-	-	168.25
33	Advertisement and sales promotion	-	-	-	-	-	-	-
	Income							
34	Rent and Other Service Charges	4.86	120.10	22.30	-	108.69	-	255.95
35	Interest Received	-	2.62	-	-	-	-	2.62
36	Guarantee Commission	-	21.38	-	-	-	-	21.38
37	Miscellaneous Income	0.56	-	-	10.00	-	-	10.56
	Other Receipts							
38	Other Reimbursements (Receipts)	-	73.05	-	19.27	0.70	-	93.02
39	Other Reimbursements (Payments)	-	10.88	117.30	-	-	-	128.17
	Finance							
40	Inter-corporate deposits given	-	2,000.00	-	15.59	-	-	2,015.59
41	Inter-corporate deposits taken	4,200.00	149.49	-	-	-	-	4,349.49
42	Repayment of Deposits Taken	6,500.00	210.00	-	-	-	-	6,710.00
43	Repayment of Deposits Given	-	2,000.00	-	-	-	-	2,000.00
44	Advances received from customers	-	110.60	-	-	-	-	110.60

For details of investments in associates and joint ventures refer Notes 10A and 10B

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Group has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

48. Related party disclosures (contd.)
Previous Year
(e) transactions/ balances with above mentioned related parties

₹ In Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Eureka Forbes Institute of Envi-ronment (Trust)	Forvol Inter-national Services Limited	Simar Port Pvt. Ltd	ESPI Holdings Mauritius Ltd	Image Realty LLP	Jaykali Develop-ers Private Limited	Gokak Textiles Limited	Rela-tionship Properties Private Limited	Samalpatti Power Company Private Limited	Shapoorji Pallonji Infra-structure Capital Company Private Limited	Shapoorji Pallonji Engineer-ing and Con-struction Private Limited
	Balances													
1	Trade Payables and Capital Creditors	1,053.65	-	-	***	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	1,396.11	-	-	-	-	***	-	-	-	-	-	-	-
4	Trade Receivables	***	529.33	***	***	***	-	-	***	***	***	-	***	-
5	Contractually reimbursable expense	-	-	-	***	-	-	-	-	***	-	-	-	-
6	Preference Shares classified as compound financial instrument	***	-	-	-	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	7,175.00	-	-	-	-	***	-	-	-	-	-	***	-
10	Other Payables	208.30	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	***	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions													
	Purchases / Services													
15	Purchase of Fixed Assets/ Goods and Materials	***	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	11.47	-	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	2,151.07	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services													
18	Goods and Materials	***	***	***	-	-	-	-	***	-	***	-	-	***
19	Services Rendered	283.70	1,057.49	***	***	***	-	***	***	-	***	-	-	-
20	Income from real estate													
	Expenses													
21	Repairs and Other Expenses	86.64	-		-	-	-	-	-	***	-	-	-	-
22	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Travelling and conveyance expenses	-	-	-	12.46	-	-	-	-	-	-	-	-	-
24	Management Fees	574.75	-	-	-	-	-	-	-	-	-	-	-	-
25	Legal and professional charges	26.24	-	-	-	-	-	-	-	-	-	-	-	-
26	Recovery of Expenses	0.20	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

		A	B	B	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Limited	Afcons Infra-structure Limited	Eureka Forbes Institute of Envi-ronment (Trust)	Forvol Inter-national Services Limited	Simar Port Pvt. Ltd	ESPI Holdings Mauritius Ltd	Image Realty LLP	Jaykali Develop-ers Private Limited	Gokak Textiles Limited	Rela-tionship Properties Private Limited	Samalpatti Power Company Private Limited	Shapoorji Pallonji Infra-structure Capital Company Private Limited	Shapoorji Pallonji Engineer-ing and Con-struction Private Limited
27	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Interest expense	1,019.62	-	-	-	-	***	-	-	-	-	-	-	-
29	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Miscellaneous expenses	0.20	-	-	-	-	-	-	-	-	-	-	-	-
32	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income													
34	Rent and Other Service Charges	***	-	-	***	-	-	-	-	-	-	-	***	-
35	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Miscellaneous Income	***	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts													
38	Other Reimbursements (Receipts)	-	-	-	***	-	-	-	-	-	-	-	-	-
39	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance													
40	Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-
41	Inter-corporate deposits taken	4,200.00	-	-	-	-	***	-	-	-	-	-	-	-
42	Repayment of Deposits Taken	6,500.00	-	-	-	-	-	-	-	-	-	-	-	-
44	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-

₹ In Lakhs

		B	B	B	B	B	B	B	B	B	B	C	C	D
		Shapoorji Infra-structure Private Limited	Shapoorji Pallonji Oil & Gas Private Limited	Sterling and Wil-son Solar Limited	Sterling and Wilson Private Limited	Sterling Invest-ment Cor-poration Private Limited	Shapoorji Pallonji Invest-ment Advisors Private Limited	Shapoorji Pallonji Devel-opment Managers Private Limited	Grand View Estates Pvt Ltd	Paikar Real Estates Private Limited	United Motors (India) Private Limited	Neuvo Consul-tancy Service Limited	Euro P2P Direct (Thailand) Co.Lim-ited	Forbes Concept Hospitality Services Private Limited
	Balances													
1	Trade Payables and Capital Creditors	-	-	***	-	-	-	-	-	***	-	258.88	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	137.24	-	-	-
3	Interest accrued	-	-	-	***	-	-	***	-	-	-	-	-	-
4	Trade Receivables	-	***	-	***	-	***	***	***	-	-	***	2,406.27	-
5	Contractually reimbursable expense	-	48.62	-	-	-	-	-	-	61.02	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	-	3,090.00	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	870.17	-
8	Provision for Doubtful Trade Receivables	-	-	-	***	-	-	-	-	-	-	-	1,324.35	-
9	Deposits Payable	-	***	-	-	-	-	***	-	-	-	-	-	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		B	B	B	B	B	B	B	B	B	B	C	C	D
		Shapoorji Infra-structure Private Limited	**Shapoorji Pallonji Oil & Gas Private Limited**	**Sterling and Wil-son Solar Limited**	**Sterling and Wilson Private Limited**	**Sterling Invest-ment Cor-poration Private Limited**	**Shapoorji Pallonji Invest-ment Advisors Private Limited**	**Shapoorji Pallonji Devel-opment Managers Private Limited**	**Grand View Estates Pvt Ltd**	**Paikar Real Estates Private Limited**	**United Motors (India) Private Limited**	**Neuvo Consul-tancy Service Limited**	**Euro P2P Direct (Thailand) Co.Lim-ited**	**Forbes Concept Hospitality Services Private Limited**
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	917.51	-
	Transactions													
	Purchases / Services													
15	Purchase of Fixed Assets/ Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	-	-	-	-	-	-	-	-	-	-	626.06	-	-
	Sales / Services													
18	Goods and Materials	-	-	-	***	-	-	-	-	-	-	-	982.03	-
19	Services Rendered	***	***	-	***	-	***	***	***	-	-	***	-	-
20	Income from real estate										2,609.17			
	Expenses													
21	Repairs and Other Expenses	-	-	***	-	-	-	-	-	-	-	-	-	-
22	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Interest expense	-	-	-	-	***	-	***	-	-	-	-	-	***
29	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-
31	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	141.43	26.82	-
33	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income													
34	Rent and Other Service Charges	-	111.98	-	-	-	-	-	-	-	-	***	-	-
35	Interest Received	-	-	-	2.62	-	-	-	-	-	-	-	-	-
36	Guarantee Commission	-	21.38	-	-	-	-	-	-	-	-	-	-	-
37	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts													
38	Other Reimbursements (Receipts)	-	***	-	-	-	-	-	-	71.24	-	-	-	-
39	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	***	-	117.30	-	-
	Finance													
40	Inter-corporate deposits given	-	-	-	2,000.00	-	-	-	-	-	-	-	-	***
41	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Deposits Taken	-	-	-	-	***	-	-	-	-	-	-	-	-
44	Repayment of Deposits Given	-	-	-	2,000.00	-	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	110.60	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		D	D	E	E	E	E	E	E	E	E	E	F	F
		Forbes Aquatech Ltd (Joint venture of Eureka Forbes Ltd.)	Infinite Water Solutions Pvt.Ltd. (Joint venture of Eureka Forbes Ltd.)	Transton-nelstroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Cor-poration Private Limited	Shapoorji Pallonji Finance Private Limited	SP Arma-da Oil Ex-ploration Private Limited	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. Mahesh Tahilyani	Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff
	Balances													
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-	-	-	-
2	Advances received from customer	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Interest accrued	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	-	-	-	-	***	***	***	***	***	-	-	-	-
5	Contractually reimbursable expense	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Preference Shares classified as compound financial instrument	-	-	-	6,180.00	-	-	-	-	-	-	-	-	-
7	Provision for Doubtful Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-	-	-	-
9	Deposits Payable	-	-	-	-	-	-	-	-	***	-	-	-	-
10	Other Payables	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Guarantees Given	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Guarantees Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Advance for Supply of Goods and Services and prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions													
	Purchases / Services													
15	Purchase of Fixed Assets/ Goods and Materials	-	5,060.87	-	-	-	-	-	-	-	-	-	-	-
16	Receiving of Services	-	18.94	-	-	-	-	-	-	-	-	-	-	-
17	Real Estate Developement Expenses (pertains to amount Billed during the year)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services													
18	Goods and Materials	-	4,520.92	***	-	-	***	-	-	-	-	-	-	-
19	Services Rendered	-	***	***	-	-	***	***	***	***	***	***	-	-
20	Income from real estate													
	Expenses													
21	Repairs and Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
22	CSR Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
23	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Management Fees	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
27	Dividend Paid	-	-	-	-	-	-	-	-	-	-	-	-	-
28	Interest expense	-	223.99	-	243.91	-	-	***	-	-	-	-	-	-
29	Balances written off loans and advances /Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Remuneration	-	-	-	-	-	-	-	-	-	-	-	128.82	300.09
31	Miscellaneous expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
32	Selling & Distribution Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
33	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-	-	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

₹ In Lakhs

		D	D	E	E	E	E	E	E	E	E	E	F	F
		Forbes Aquatech Ltd (Joint venture of Eureka Forbes Ltd.)	Infinite Water Solutions Pvt.Ltd. (Joint venture of Eureka Forbes Ltd.)	Transton-nelstroy Afcons Joint Venture	M/s G.S. Enterprise	Joyville Shapoorji Housing Private Limited	SD Cor-poration Private Limited	Shapoorji Pallonji Finance Private Limited	SP Arma-da Oil Ex-ploration Private Limited	HPCL Shapoorji Energy Private Limited	Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd	Shapoorji Pallonji Bumi Armada Offshore Limited	Managing Director, Mr. Mahesh Tahilyani	Managing Director and CEO of Eureka Forbes Limited, Mr Marzin R. Shroff
	Income													
34	Rent and Other Service Charges	-	-	-	-	-	-	-	***	104.69	-	-	-	-
35	Interest Received	-	-	-	-	-	-	-	-	-	-	-	-	-
36	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-	-
37	Miscellaneous Income	-	10.00	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts													
38	Other Reimbursements (Receipts)	-	19.27	-	-	-	-	-	-	***	-	-	-	-
39	Other Reimbursements (Payments)	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance													
40	Inter-corporate deposits given	-	***	-	-	-	-	-	-	-	-	-	-	-
41	Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-
42	Repayment of Deposits Taken	-	-	-	-	-	-	-	-	-	-	-	-	-
44	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-
43	Advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-

48. Related party disclosures (contd.)

Parties in F :
Key Managerial Personnel Remuneration

₹ in Lakhs

Particulars	**Year Ended 31st Mar., 2022**	*Year Ended 31st Mar., 2021*
Short-term employee benefits	**361.16**	*552.95*
Post-employment benefits	**7.21**	*5.79*
Long-term employee benefits	**2.75**	*13.92*
	371.12	*572.66*

The above amounts do not include expenses for gratuity and leave encashment since acturial valuation is carried out at an overall level.

Directors Sitting Fees:

₹ in Lakhs

Name	**Year Ended 31st Mar., 2022**	*Year Ended 31st Mar., 2021*
D. Sivanandhan	**10.00**	*9.00*
Shapoor P. Mistry	**9.30**	*1.30*
Jai L. Mavani	**5.50**	*5.00*
Mahesh Tahilyani	**12.30**	*1.00*
Rani Jadhav	**5.00**	5.50
Nikhil Bhatia	**9.50**	8.50
Total	**51.60**	30.30

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Parties in G:
Contribution to Post Employment Benefit Plan:

₹ in Lakhs

Particulars	Year Ended 31st Mar., 2022	*Year Ended 31st Mar., 2021*
Forbes & Company Limited Employees Provident Fund	**89.41**	*83.77*
Eureka Forbes Limited Employees Gratuity Fund	**184.01**	*295.30*
Eureka Forbes Limited Employees Provident Fund	**279.01**	*330.06*
Eureka Forbes Limited Managing Staff Superannuation Scheme	**128.95**	*147.08*
	681.38	856.21

49 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 . 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., 2022	*As at 31st Mar., 2022*
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 21)	**105.58**	*105.58*
Interest accrued as at the beginning of the year	**239.99**	*201.14*
Interest charged calculated at an effective interest rate	**43.52**	*38.85*
Interest accrued as at the end of the year (included in "Non-current borrowing" (refer Note 21)	**283.51**	*239.99*

50 Shapoorji Pallonji Forbes Shipping Limited (SPFSL), had issued 0%, 9,27,00,000 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	Before capital reduction			After capital reduction		
	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms	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	1,33,33,011	12-Aug-29	Redeemable at par
06-Nov-09	2,40,00,000	06-Nov-29	Redeemable at par	1,72,03,884	06-Nov-29	Redeemable at par
22-Mar-10	3,16,50,000	22-Mar-30	Redeemable at par	2,26,87,620	22-Mar-30	Redeemable at par
02-Jul-10	1,84,50,000	02-Jul-30	Redeemable at par	1,32,25,485	02-Jul-30	Redeemable at par
	9,27,00,000			**6,64,50,000**		

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

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., 2022**	*As at 31st Mar., 2021*
Proceeds of issue	**9,270.00**	*9,270.00*
Liability component at the date of issue	**959.50**	*959.50*
Less: Adjustment on account of Capital Reduction	**(2,291.61)**	-
Less: Derecognised on loss of control	**(6,018.89)**	-
Equity Component (Classified as Non-Controlling Interest)	**-**	*8,310.50*
Liability Component on date of issue	**959.50**	*959.50*
Less: Adjustment on account of Capital Reduction	**(271.70)**	-
Less: Derecognised on loss of control	**(687.80)**	-
Liability Component (included in "Non-current borrowing" (refer Note 21)	**-**	959.50
Interest accrued as at the beginning of the year	**2,455.22**	2,089.36
Interest charged calculated at an effective interest rate	**365.17**	365.86
Write back of accrued interest on Capital Reduction of Preference Shares	**(792.71)**	-
Less: Derecognised on loss of control	**(2,027.68)**	-
Interest accrued as at the end of the year (included in "Non-current borrowing" (Refer Note 21)	**-**	2,455.22

As per NCLT order dated 21st Jan, 2022 on Capital reduction, Notional Interest reversal of ₹ 792.71 lakhs on debt portion reduction has been consolidated as an Exceptional loss with pay out at ₹ 0.10 per share each for 6,03,75,000 no.of Equity Share of ₹ 10 each and for 2,62,50,000 no.of Preference share of ₹ 10 each.

51 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	
	28th February, 2022	*31st March, 2021*
Current Assets	**13,627.61**	*3,698.25*
Current Liabilities	**1,416.66**	*1,155.24*
Net Current Assets	**12,210.95**	*2,543.01*
Non-Current Assets	**3,901.57**	*14,972.90*
Non-Current Liabilities	**8,087.31**	*9,667.53*
Net Non-Current Assets	**(4,185.74)**	*5,305.37*
Net Assets	**8,025.21**	*7,848.38*
Accumulated Non-Controlling Interest	**6,018.88**	*5,886.29*

Summarised Statement of Profit and Loss	Shapoorji Pallonji Forbes Shipping Limited	
	28th February, 2022	*31st March, 2021*
Total Revenue	**4,786.97**	*12,448.47*
Profit/(Loss) after tax for the year	**(69.96)**	*(5,134.31)*
Other Comprehensive Income / (Loss)	**-**	*-*
Total Comprehensive Income	**(69.96)**	*(5,134.31)*
Profit/ (Loss) allocated to Non-Controlling Interest	**(52.47)**	*(3,850.73)*

Summarised Statement of Cash Flow	Shapoorji Pallonji Forbes Shipping Limited	
	28th February, 2022	*31st March, 2021*
Cash flow from operating activities	**2,241.92**	*5,554.59*
Cash flow from investing activities	**(2,924.57)**	*15,189.71*
Cash flow from financing activities	**(1,275.55)**	*(18,438.63)*
Net increase/ (decrease) in cash and cash equivalents	**(1,958.20)**	*2,305.67*

Also Refer Note 67.

52 The Company and Paikar Real Estates Private Limited (hereinafter known as "PREPL") (a fellow subsidiary) are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the real estate development operations under "Project Vicinia" at a plot of land situated at Chandivali, Mumbai being developed.

53 The Company had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai towards principal and interest towards loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Company refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.78 Lakhs] and recorded this as an exceptional expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, amounting to ₹ 276.19 lakhs (of which the Company had provided for ₹ 46.00 Lakhs and ₹ 230.19 Lakhs was disclosed as a contingent liability), which was appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of ₹ 744.18 Lakhs (comprising ₹ 325.00 Lakhs towards loan and ₹ 419.18 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of ₹ 276.19 Lakhs was dismissed on 9th June, 2021. Thereafter the Official Liquidator filed a report seeking permission from the Hon'ble High Court, Mumbai for payment of an amount of ₹ 467.99 Lakhs after adjusting interest amount of ₹ 276.19 Lakhs from the total adjudicated claim of ₹ 744.18 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official liquidator to pay an amount of ₹ 467.99 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for ₹ 230.19 Lakhs in addition to ₹ 46.00 Lakhs provided earlier and recorded the expense as an exceptional item for year ended 31st March, 2022. The company has received the aforesaid amount of ₹ 467.99 Lakhs in the current year.

54 In Forbes Technosys Limited (FTL), a subsidiary of the Group, expense in respect of shortages and written down of slow-moving, damaged or obsolete inventories to their net realisable value amounted to Rs.1,157.84 lakh (2021: Rs. 451.25 Lakhs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

The following amounts have been disclosed separately in the statement of profit and loss during the year as exceptional item and previous year figures have been regrouped accordingly, which were included under "Changes in inventories of finished goods and stock-in-trade (traded goods).

55 Goodwill on consolidation (Refer Note 7)

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

Particulars	**As at 31st Mar., 2022**	*As at 31st Mar., 2021*
Goodwill on consolidation	-	*30,450.39*

The main operations of the CGU is spread across Europe and parts of Latin America. The carrying amount of the goodwill has been tested for impairment based on the business projections of each geography where the operations are based and cash flows arising out of the projections covering a 6 year period. The Group believes this to be the most appropriate timescale for reviewing and considering annual performance before discounting the cashflows and arriving at the terminal value.

The movement in the goodwill is as follows -

	₹ in Lakhs
Balance as on 1st April 2020	*28,101.29*
Effect of Foreign Exchange Differences	*3,328.10*
Less : Impairment (Refer note 36)	*(979.00)*
Balance as on 31st March 2021	*30,450.39*
Effect of Foreign Exchange Differences	**(1,102.58)**
Less : Impairment (Refer note 36)	**(29,347.81)**
Balance as on 31st March 2022	**-**

In one of the subsidiary group in Europe "Lux Group", business projections could not be achieved due to various factors as envisaged previously. Based on an assessment of the revised future projections (including impact of Covid-19 pandemic) carried out by Eureka Forbes Limited's (EFL) (Erstwhile subsidiary) management after considering current economic conditions and trends, estimated future operating results and growth rates, an amount of Rs. 979.00 Lakhs for the year ended 31st March, 2021 has been impaired in the consolidated financial statements as impairment loss on goodwill on consolidation and disclosed as an exceptional item.

Before Appointed Date of the Composite Scheme (1st February, 2022)

The Management of Lux group approved the disposal of investment in shares of AMC Cookware (PTY) Limited, South Africa for a consideration of Rs. 777.00 Lakhs during the year ended 31st March, 2022. The sale transaction was executed in the month of December 2021.

Consequently, investment value in joint venture AMC Cookware (PTY) Limited of Rs. 4,419.51 Lakhs has been impaired and corresponding impairment of goodwill on consolidation of Rs. 3,816.81 Lakhs has been disclosed as an exceptional loss towards investment/goodwill impairment in the consolidated financial statements for the year ended March 31, 2022.

After Appointed Date of the Composite Scheme (1st February, 2022)
Lux group is part of the Health and Hygiene business segment of the Group and was earlier part of the Eureka Forbes group of subsidiaries. Pursuant to the demerger of the major Health and Hygiene business in lines with the composite scheme (refer Note 66) from the Group, synergies which were expected to bring about business expansion and recovery for the Lux Group may not be attainable. Accordingly, based on an assessment of the revised future projections carried out by the Company's management after considering the current economic conditions and trends and estimated future operating results, an impairment loss on goodwill of Rs. 25,531.00 Lakhs for the year ended 31st March, 2022 was recorded as an exceptional item.

56 A. The following matter has been included in the special purpose condensed standalone financial statements of Erstwhile Eureka Forbes Limited, a subsidiary of the Group , which is reproduced as follows:

"The Composite Scheme Of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") (wholly owned subsidiaries of EFL) with and into EFL and amalgamation and vesting of EFL with and into Forbes and Company Limited ("FCL") and Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the Parent Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis has been approved by National Company Law Tribunal (NCLT) and a certified copy of the order has been received on January 31, 2022. The Board of Directors of EFL vide its circular resolution passed on January 31, 2022 has taken on record the order passed by NCLT and accorded February 1, 2022 as the appointed date for the purpose of scheme. The requisite certified order of NCLT has been filed with Registrar Of Companies on February 1, 2022, pursuant to this EFL is amalgamated with FCL. The special purpose condensed financial Statement for the period ended January 31, 2022 does not take into consideration any impact on account of the said order as the scheme is effective from the prospective appointed date i.e. February 1, 2022.

B. The following matter has been included in the special purpose condensed financial statements of Aquaignis Technologies Private Limited, erstwhile Eureka Forbes Limited, a subsidiary of the Group , which is reproduced as follows:

The Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated 25th January, 2022 sanctioned the Composite Scheme of Arrangement which provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL"), Eureka Forbes Limited (EFL) and Euro Forbes Financial Services Limited ("EFFSL") with and into Eureka Forbes Limited (EFL), amalgamation and vesting of EFL with and into Forbes and Company Limited (FCL) and demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into Forbes Enviro Solutions Limited (the Company) (presently wholly owned subsidiary of EFL), on a going concern basis. Upon receipt of the certified copy of the order, the scheme was made effective by filing Form INC 28 with the Registrar of Companies on 1st February, 2022. The Board of Directors of the Company vide their resolution dated 31 January, 2022 has approved 01 February, 2022 as the Appointed Date for the purpose of Scheme. Further, the name of the Company has been changed to Eureka Forbes Ltd, vide Fresh Certificate Of Incorporation dated 11 February, 2022. Consequently with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL followed by merger of EFL into FCL and demerger of the Demerged Undertaking on a going concern basis in to FESL on the same date. In the special purpose condensed financial statements, the financial effects of the scheme are not considered, as the Scheme is effective from the prospective appointed date 1st February, 2022. Accordingly, this Special Purpose Balance Sheet, Statement of Profit & Loss and other relevant statements have been prepared as at and for the period ended 31 January, 2022, to give the effect to the Order of the Hon'ble NCLT, Mumbai for the aforesaid scheme of amalgamation/demerger."

C. The following matter has been included in the special purpose condensed financial statements of Euro Forbes Financial Services Limited, erstwhile Eureka Forbes Limited, a subsidiary of the Group , which is reproduced as follows:

The Hon'ble National Company Law Tribunal ("the NCLT"), Mumbai vide its order dated 25 January, 2022 sanctioned the Composite Scheme of Arrangement which provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL"), Eureka Forbes Limited (EFL) and Euro Forbes Financial Services Limited ("EFFSL") with and into Eureka Forbes Limited (EFL), amalgamation and vesting of EFL with and into Forbes and Company Limited (FCL) and demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of FCL into Forbes Enviro Solutions Limited (the Company) (presently wholly owned subsidiary of EFL), on a going concern basis.

Upon receipt of the certified copy of the order, the scheme was made effective by filing Form INC 28 with the Registrar of Companies on 1st February, 2022.

The Board of Directors of the Company vide their resolution dated 31 January, 2022 has approved 01 February, 2022 as the Appointed Date for the purpose of Scheme.

Further, the name of the Company has been changed to Eureka Forbes Ltd, vide Fresh Certificate Of Incorporation dated 11 February, 2022.

Consequently with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL followed by merger of EFL into FCL and demerger of the Demerged Undertaking on a going concern basis in to FESL on the same date.

In the special purpose condensed financial statements, the financial effects of the scheme are not considered, as the Scheme is effective from the prospective appointed date 1st February 2022.

Accordingly, this Special Purpose Balance Sheet, Statement of Profit & Loss and other relevant statements have been prepared as at and for the period ended 31 January, 2022, to give the effect to the Order of the Hon'ble NCLT, Mumbai for the aforesaid scheme of amalgamation/demerger."

57. Svadeshi Mills is not considered as a related party of the Group as per Note 3.1.1. Secured Loans include interest free loans, relating to which full provision exists in Financial statements, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2022 *(31st March, 2021 ₹ 4,391.78 Lakhs)*. 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

58. One of the subsidiaries, Forbes Technosys Limited (FTL), has appointed a new Chief Financial Officer ('CFO') from 15th January, 2021 to fill up the vacancy caused in the position of the CFO due to untimely demise of its erstwhile CFO in the month of July, 2020. Further FTL, has appointed Mr. Rohit Jaykar as the Managing Director of the Company with effect from 16th March, 2021. The appointment and remuneration of the new Managing Director was approved by the shareholders of the subsidiary in the general meeting of the Company held on 15th September, 2021.

59. The Board of Directors of Forbes Techosys Limited (FTL), a subsidiary of the Group, in its meeting held on 27th December, 2021, after considering the rationale and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification and re-enactment thereof for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules 2016, enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approval of the shareholders of the Company and the sanction of the jurisdictional National Company Law Tribunal and such other competent authority as may be applicable, approved the Composite Scheme of Arrangement between Forbes Campbell Service Limited ("FCSL") and the Company and their respective shareholders ('the Scheme'). The Scheme was, subsequently, approved by the shareholders of the Company thorugh their consent on Jaunaury 25, 2021.

The Scheme inter-alia proposes for amalgamation of FCSL into FTL and reduction of share capital of FTL before the said amalgamation. Subject to the requisite approvals, through the above mentioned Scheme, FTL has proposed to proportionately reduce capital by cancelling -

a) 9,39,48,228 equity shares of Rs. 10 each out of the existing 9,48,97,200 equity shares of Rs. 10 each fully paid up for a consideration of Rs. 0.001 for each equity share so cancelled.

b) 6,13,80,000 "10% Optionally Convertible Redeemable Preference Shares" (OCRPS) of Rs. 10 each out of the existing 6,20,00,000 OCRPS of Rs. 10 each fully paid up for a consideration of Rs. 0.001 for each OCRPS so cancelled.

c) 99,00,000 "0.10% Non-Convertible Redeemable Preference shares" (NCRPS) of Rs. 10 each out of the existing 1,00,00,000 NCRPS of Rs. 10 each fully paid up for a consideration of Rs. 0.001 for each NCRPS so cancelled.

The Scheme proposes that a consideration of Rs. 2.6 lakhs "6% Non-cumulative Non-Convertible Redeemable Preference Shares" (NCRPS) of ₹ 10 each of the Company shall be issued and allotted to the Equity Shareholders of the FCSL in proportion to their holding in FCSL as on the Record Date for Amalgamation.

Pending the order of NCLT for approval of the Scheme, the financial statements of the Company has been prepared without giving effect to the aforesaid proposed Scheme.

60. **The aggregate amount of Assets, Liabilities, Income and Expenses related to the Group's interests in the Joint Ventures and associates**

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, 2022	50%	9.44	8.91	1.55	1.12
			31st March, 2021	*50%*	*9.01*	*8.92*	*0.46*	*0.71*
2	AMC Cookware (Proprietary) Limited	South Africa	NA	NA	-	-	-	-
			31st December, 2020	*50%*	*7,235.12*	*2,446.20*	*5,817.31*	*5,343.37*
3	Forbes Bumi Armada Limited	India	31st March, 2022	51%	1,547.84	606.90	2,871.72	2,739.45
			31st March, 2021	*51%*	*1,406.95*	*571.84*	*2,725.45*	*2,609.26*
4	Shapoorji Pallonji Forbes Shipping Limited	India	31st March, 2022	25%	3,015.31	1,213.31	-	-
			NA	NA	-	-	-	-
5	Nuevo Consultancy Services Private Limited	India	31st March, 2022	49%	5,307.30	4,312.24	1,267.64	802.45
			31st March, 2021	*49%*	*5,518.39*	*4,988.51*	*1,263.67*	*1,152.15*

61. Net debt reconciliation

₹ in Lakhs

	As at 31st March 2022	*As at 31st March 2021*
Short Term Borrowings	**(16,092.78)**	*(15,301.82)*
Long Term Borrowings (includes accrued interest)	**(7,035.38)**	*(17,135.81)*
Current Maturities of Long Term Borrowings	**(4,690.05)**	*(18,266.72)*
Lease Liabilities	**(1,693.08)**	*(1,704.20)*
Lease Liabilities [pertaining to discontinued operations]	**(103.90)**	*(1,354.33)*
Borrowings [pertaining to discontinued operations] (includes accrued interest)	**(1,286.71)**	*(30,603.68)*
Total debt	**(30,901.90)**	*(84,366.56)*
Cash and Cash equivalents	**1,730.76**	*5,839.42*
Cash and Cash equivalents [pertaining to discontinued operations]	**91.01**	*2,519.42*
Net debt	**(29,080.13)**	*(76,007.72)*

₹ in Lakhs

	Other assets		Debt	
	Cash and cash equivalents	Total Debt (Excluding Lease Liabilities)	Lease Liabilities	Total
Net debt as at 1st April, 2021	**8,358.84**	**(81,308.03)**	**(3,058.53)**	**(76,007.72)**
Cash flows	(6,537.07)	19,172.83	1,586.95	14,222.71
Foreign exchange adjustments	-		27.27	27.27
Interest expense	-	(6,295.47)	(180.32)	(6,475.79)
Interest paid *	-	6,143.30	-	6,143.30
Other adjustments (mainly including effect of deconsolidation) (Refer Note 16, 66 and 67)	-	33,182.45	(172.35)	33,010.10
Net debt as at 31st March, 2022	**1,821.77**	**(29,104.92)**	**(1,796.98)**	**(29,080.13)**

* The interest paid during the year includes interest expense on loans for real estate development activites amounting to ₹ Nil Lakhs (Previous Year ₹ 363.49 Lakhs).

₹ in Lakhs

	Other assets		Debt	
	Cash and cash equivalents	Total Debt (Excluding Lease Liabilities)	Lease Liabilities	Total
Net debt as at 1st April, 2020	*3,452.69*	*(1,09,676.29)*	*(4,468.90)*	*(1,10,692.50)*
Cash flows	*4,906.15*	*28,119.16*	*1,892.01*	*34,917.32*
Foreign exchange adjustments	-	*413.07*	*(160.98)*	*252.09*
Interest expense	-	*(8,819.93)*	*(227.27)*	*(9,047.20)*
Interest paid	-	*8,593.77*	-	*8,593.77*
Non-cash movements for acquisitions and disposals	-	62.19	(93.39)	(31.20)
Net debt as at 31st March, 2021	**8,358.84**	**(81,308.03)**	**(3,058.53)**	**(76,007.72)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

62. 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, 2022	**10,075.81**	**281.54**	**9,794.27**
Total	**10,075.81**	**281.54**	**9,794.27**
31st March, 2021	*13,207.91*	*231.41*	*12,976.50*
Total	*13,207.91*	*231.41*	*12,976.50*

The Group gives rebates/ discounts for certain segments. Under the terms of contract, the amounts payable by the Group are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

63. Ind AS 115 'Revenue from Contracts with Customers'

I Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 was effective from accounting period beginning on or after 1st April, 2018 and replaced the then existing revenue recognition standards. The application of Ind AS 115 had significant bearing on the Group's accounting for recognition of revenue from real estate development projects.

The Group had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating ₹ 5,083.12 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018. Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers, the Group has recognised revenue of ₹ 38,652.53 Lakhs for the year ended 31st March, 2021 and ₹ 1,490.58 lakhs for the year ended 31st March, 2022.

Revenue is recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units.
Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes).

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's method of revenue recognition as the amounts are not reflective of transferring control to the customer.
Reconciliation of revenue recognised in the Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	**For the year ended March 31, 2022**	***For the year ended March 31, 2021***
Contract price of the revenue recognised (pertaining to performance obligations completed)	**1,731.48**	*41,421.15*
Less Adjustments for:		
Customer incentives/ discounts / other considerations	**(240.90)**	*(2,768.62)*
Income from real estate contracts recognised in the Statement of Profit and Loss	**1,490.58**	*38,652.53*

The Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due) are reflected as trade receivables. Contract liability (reflected as Advances from customers under Other Current Liabilities) is the obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no significant changes in the composition of Contract Liabilities and Trade Receivables during the reporting period other than on account of periodic invoicing and revenue recognition.

64. Leases

Lessee accounting

The Group leases various land, office premises and vehicles. Rental contracts typically ranges from 9 months to 15 years but may have extension options. The Group has adopted Ind AS 116 using the modified retrospective approach from 1st April, 2019. On adoption of Ind AS 116, the Group recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 10% to 10.75%.

(i) Practical Expedients applied on initial application date

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- the Group has used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the Group has applied practical expedients on not to separate non-lease component from leases on initial application and instead accounts for these as a single lease component.
- the Group has relied on its previous assessment on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as on 1st April, 2019.
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contract entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a lease.

ii) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

(₹ in Lakhs)

Particulars	31st Mar., 2022	*31st Mar., 2021*
Right-of-use assets	**1,663.82**	*1,657.37*
Right-of-use assets pertaining to discontinued operations	**81.49**	*1,217.90*
Total	**1,745.31**	*2,875.27*

Particulars	31st Mar., 2022	*31st Mar., 2021*
Lease liabilities		
Non-current	**1,190.37**	*1,152.71*
Current	**502.71**	*551.49*
Lease liabilities pertaining to discontinued operations	**103.90**	*1,354.33*
Total	**1,796.98**	*3,058.53*

Additions to right-of-use asset during the year were ₹ 978.28 Lakhs (Previous year ₹ 332.91 Lakhs) pertaining to discontinued operations.

iii) Amounts recognized in Statement of Profit and Loss.

The Statement of Profit and Loss shows the following amounts relating to leases:

(₹ in Lakhs)

Particulars	31st Mar., 2022	*31st Mar., 2021*
Depreciation charge of right-of-use assets - Continuing Operations	**541.66**	*597.59*
Depreciation charge of right-of-use assets - Discontinued operations	**930.94**	*1,109.07*
Total	**1,472.60**	*1,706.66*
Interest expense on lease liability (included in finance cost)- Continuing Operations and Discontinued operations	**180.32**	*227.27*
Expense relating to short term leases (Included in Other Expenses)- Continuing Operations and Discontinued operations	**1,009.76**	*1,521.21*
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses) - Continuing Operations and Discontinued operations	**10.98**	*15.17*
Total	**2,673.66**	*3,470.31*

The total cash outflow for leases in year ended 31st March, 2022 was ₹ 1,586.95 Lakhs (Previous Year ₹ 1,892.01 Lakhs) for continued and discontinued operations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(iv) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.
For the leases of office premises, the following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
3. Otherwise, the Group considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee.

Lessor accounting as a lessor
The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases (Refer Note 41) as a results of the adoption of Ind AS 116.
For maturity profile of Lease liabilities as of 31st March, 2022 and 31st March, 2021 (Refer Note 45.5).

65. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

(₹ in Lakhs)

Particulars	Notes	As at 31st Mar., 2022	As at *31st Mar., 2021*
Current			
Financial Assets			
Trade receivables	**9B**	**6,937.42**	*31,460.81*
Cash and cash equivalents	**13A**	**613.71**	*2,208.13*
Bank balances other than above	**13B**	**446.66**	*910.16*
Loans	**11B**	**0.83**	*2.62*
Other financial assets	**14B**	**198.03**	*1,022.02*
Other current assets	**15B**	**4,892.74**	***4,936.52***
		13,089.39	*40,540.26*
Non-financial assets			
Inventories	**12**	**4,807.94**	*32,729.24*
Total current assets pledged as security		**17,897.33**	*73,269.50*
Non-current			
Trade receivables	**9A**	**1,096.61**	*1,805.88*
Leasehold Land	**4**	**10.30**	*15.47*
Freehold Land	**4**	**-**	*314.22*
Buildings	**4**	**3,594.14**	*9,544.14*
Plant and Equipment (Owned)	**4**	**5,227.50**	*5,064.79*
Shipping Vessels	**4**	**-**	*12,468.92*

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

(₹ in Lakhs)

Particulars	Notes	As at 31st Mar., 2022	As at *31st Mar., 2021*
Furniture and Fixtures	4	**28.65**	*36.94*
Data Processing Equipments	4	**5.85**	*15.11*
Office Equipments	4	**10.83**	*18.99*
Vehicle	4	**38.32**	-
Other Fixed Assets *	4	**-**	*6,732.68*
Investment Properties	6	**89.42**	*103.34*
Intangible assets under development		**-**	*161.49*
Other Intangible assets	8	**918.06**	*1,463.00*
Capital work-in-progress		**81.82**	*197.85*
Total non-currents assets pledged as security		**11,101.50**	*37,942.82*
Total assets pledged as security		**28,998.83**	*1,11,212.32*

*For the previous year other fixed assets includes movable assets for employees benefit which has not been pledged.

Facilities from Axis Bank and DCB Bank are secured by 1st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) taken by a subsidiary, Forbes Technosys Limited (FTL) and are backed by 1st Pari-passu charge on property owned by Forbes & Company Ltd situated at Wagle Estate Thane with carrying value amount ₹ 0.27 lakhs (Previous year ₹ 0.67 Lakhs).

66. Composite Scheme of Arrangement

The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 had, inter alia, approved the Composite Scheme of Arrangement (“Scheme”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme provides for amalgamation and vesting of Aquaignis Technologies Private Limited (“ATPL”) and Euro Forbes Financial Services Limited (“EFFSL”) [the wholly owned subsidiaries of Eureka Forbes Limited (“EFL”)] with and into EFL and amalgamation and vesting of EFL with and into the Company.

Further, upon the above part of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited (“FESL”), on a going concern basis would take place. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

On 19th September, 2021 a Share Purchase Agreement (SPA) was entered into between Lunolux Limited (Acquirer), an Advent International entity, Shapoorji Pallonji and Company Private Limited (Seller), the Company, EFL, FESL and Forbes Campbell Finance Limited (“FCFL”) for sale of shares of FESL, post issuance and listing of the same pursuant to the Scheme becoming effective.

Pursuant to the aforesaid SPA, the Board of Directors of the Company vide resolution dated 10th October, 2021, approved the following amendments to the Scheme:

- certain identified investments of EFL shall not be demerged as part of the Demerged Undertaking (as defined in the Scheme) from the Company to FESL,
- “appointed date” as per the Scheme would be effective date or the first day of the calendar month immediately succeeding the month in which the effective date occurs, as may be decided by the Board.”

Consequently, notices to equity shareholders, secured creditors and unsecured creditors had been sent for the aforesaid modifications in the Scheme and necessary approvals from the stock exchange, regulators and other stakeholders were sought. On 6th October, 2021, the Company has received an order from Hon’ble National Company Law Tribunal, Mumbai (NCLT) for convening meetings of equity shareholders, secured creditors and unsecured creditors and consequently the meetings were held on 22nd November, 2021, where the scheme was approved. Since FESL is used as an acquisition vehicle by the acquirer, EFL has deconsolidated FESL w.e.f. 1st December, 2021. Further, the Scheme was sanctioned by the NCLT vide order dated 25th January, 2022. Upon receipt of the certified copy of the said order, the Scheme was made effective by filing Form INC 28 with the Registrar of Companies, Mumbai, Maharashtra (ROC) on 1st February, 2022.

The Board of Directors of the respective companies vide resolution dated 31st January, 2022 have approved 1st February, 2022 as the Appointed Date, for the purposes of the Scheme. Consequently, with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL, followed by merger of EFL into the Company and demerger of the Demerged Undertaking (as defined in the Scheme) on a going concern basis into FESL on the same date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

In accordance with the provisions of the Scheme, each shareholder of the Company as on the Record date i.e. 11th February, 2022 were allotted 15 shares each of FESL (Now EFL) which got listed on BSE Limited. The allotment of the aforesaid new shares was completed on 14th February, 2022 and each shareholder of Forbes & Company Limited became entitled to 15 shares of FESL (Now EFL) in the ratio to their original holding as per details specified in the scheme.

Post the merger scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis has taken place on the appointed date of 1st February, 2022 as approved by the NCLT.

The demerger has been considered as a distribution of non-cash assets to the owners of the Company and the difference in the fair value and the carrying amount of net assets of the Demerged Undertaking is recognised as Notional gain on demerger in these financial results as an exceptional item amounting to Rs. 4,52,928.87 Lakhs during the year ended 31st March, 2022. Neither the Company nor the shareholders received any cash amount nor were they entitled to receive any cash in respect of this Composite Scheme.

	Amount (₹ in lakhs)
Distribution of demerged undertaking to Shareholders of the Company	4,06,600.00
Carrying value of net assets/ (liabilities) of demerged entities	(46,328.87)
Notional gain on distribution of demerged undertaking to owners	**4,52,928.87**

Carrying value of assets and liabilities of demerged entities

(₹ in lakhs)

Assets	**1st Feb, 2022**
Property, Plant and Equipment	12,524.93
Right-of -Use Assets	1,327.52
Other Intangible assets	138.61
Investments	6,134.71
Trade receivables	16,245.20
Other financial assets	2,069.36
Deferred tax assets (net)	717.26
Income tax assets (net)	2,377.58
Inventories	31,189.57
Cash and cash equivalents	1,541.32
Bank balances other than above	80.09
Loans	408.94
Other assets	5,287.01
Total Assets	**80,042.10**
Borrowings	26,585.68
Lease Liabilities	1,427.26
Trade Payables	21,043.86
Other financial liabilities	17,798.93
Provisions	2,326.67
Current tax liabilities (net)	412.35
Other liabilities	56,650.28
Total liabilities	**1,26,245.03**
Non Controlling Interest	**125.94**
Carrying value of net assets/ (liabilities) of demerged entities	(46,328.87)

Pursuant to the Composite Scheme of Arrangement (Refer Note 66), the following downstream entities have been demerged along with Eureka Forbes Limited ('EFL')

Subsidiaries:

1. Aquaignis Technologies Private Limited
2. Euro Forbes Financial Services Limited
3. Forbes Lux FZCO
4. Euro Forbes Limited
5. Forbes Enviro Solutions Limited
6. Infinite Water Solutions Private Limited
7. Forbes Aquatech Limited (upto 28th August, 2020)

Associates:

1. Euro P2P Direct (Thailand) Company Limited

67 Business Combinations and Disposal and Deconsolidation of Subsidiaries

i) During the year, pursuant to the termination of the joint venture agreement between the shareholders of Shapoorji Pallonji Forbes Shipping Limited (SPFSL), SPFSL ceases to be a subsidiary of the Company effective 1st March, 2022 and now stands as an associate.

The assets and liabilities derecognised as at the date of conversion from Subsidiary to associate are as follows:

Particulars	**Shapoorji Pallonji Forbes Shipping Limited (₹ in Lakhs)**
Assets	
Property, plant and equipment	2.55
Non current asset held for sale	11,904.07
Loans	2,200.00
Other Non-Current financial asset	410.45
Other non-current assets	1,200.54
Income Tax Assets (Net)	68.13
Trade receivables	347.38
Cash and cash equivalents	767.16
Other current financials assets	244.37
Other current assets	40.54
Total Assets (A)	**17,185.19**
Liabilities	
Long Term Borrowings	7,164.27
Non Current Provisions	4.98
Short Term Borrowings	813.80
Trade Payables	311.68
Provisions	0.13
Other current financial liabilities	248.19
Current tax liabilities (Net)	31.52
Other current liabilities	3.59
Total Liabilities (B)	**8,578.16**
Net Assets (A-B)	**8,607.03**
Net Assets Pertaining to Non-controlling interest (C)	**(6,018.88)**
Fair value of investment in associate recognised on date of conversion (D)	**2,754.82**
Gain recognised on Loss of Control (D-A+C)	**166.67**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

ii) During the previous year, Eureka Forbes Limited (EFL), (erstwhile subsidiary) a subsidiary of the Group had acquired balance 50% stake in a joint venture Infinite Water Solutions Private Limited ('IWSL'). IWSL became a subsidiary effective 31st March 2021. From the date of acquistion, IWSL contribution to Group's share of revenue and profit is Nil (before inter-company elimination). If the acquisition had taken place at the beginning of the previous year, contribution (before inter-company elimination) to revenue and profit of the group would have been ₹ 4,750.06 lakhs and ₹ 737.27 lakhs respectively.

Particulars	**Principal activity**	**Date of acquisition**	**Proportion of voting equity interests (%)**	**Consideration transferred ₹. in Lakhs**
a. Infinite Water Solutions Private Limited ('IWSL')	Manufacturing	31st March 2021	100%	2,124.15
b. Fair value of assets recognised at the date of acquisition (refer note (iii) below)				4,704.06
c. Fair Value of previously Held Equity interest in IWSL				2,352.03
d. Cash Consideration				2,124.15
e. Total Consideration (c + d)				**4,476.18**
f. Goodwill / (Capital Reserve) (e - b)				(227.88)
g. Contingent Liabilities assumed on acquisition *				227.54
h. Non Controlling Interest				Nil
Net Cash flow arising on acquistion				
Cash consideration paid				2,124.15
Cash and cash equivalents acquired				-
Net cash outflow				2,124.15

* Contingent liability assumed on acquistion amounting to ₹ 144.44 lakhs towards Disputed Income tax demand and ₹ 83.10 towards Disputed Sales Tax and Goods and Service tax demands

iii) During the previous year, Forbes Aquatech Limited ('FATL') , had done equity shares buy back and by virtue of the same, FATL has become subsidiary of Eureka Forbes Limited from earlier status of joint venture. From the date of acquisition, FATL contributed ₹ 1,116.57 Lakhs of revenue and ₹ 111.91 Lakhs of profit to the Group (before inter company elimination). If the acquisition had taken place at the beginning of the previous year , contribution (before inter company elimination) to revenue and profit of the group have been ₹ 1,793.87 Lakhs and ₹ 178.05 Lakhs respectively.

Particulars	**Principal activity**	**Date of acquisition**	**Proportion of voting equity interests (%)**	**Consideration transferred ₹. in Lakhs**
a. Forbes Aquatech Limited ('FATL')	Manufacturing	28th August 2020	66.67%	-
b. Fair value of assests recognised at the date of acquisition (refer note (iii) below)				975.89
c. Fair Value of previously Held Equity interest in FATL				975.89
d. Cash Consideration				-
e. Total Consideration (c + d)				**975.89**
f. Goodwill				-
g. Contingent Liabilities assumed on acquisition				NIL
h. Non Controlling Interest - Rs 487.99 lakhs (33.33%). [Recognised the non-controlling interest at its proportionate share of the acquired net identifiable assets]				
Net Cash flow arising on acquistion				
Cash consideration paid				-
Cash and cash equivalents acquired				20.37
Net cash outflow /(inflow)				(20.37)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

iv) The assets and liabilities recognised as at the date of conversion from Joint Venture to Subsidiary are as follows:

Particulars	**Infinite Water Solutions Private Limited (₹ in Lakhs)**	**Forbes Aquatech Limited (₹ in Lakhs)**
Assets		
Property, plant and equipment and intangible assets	187.47	189.54
Rights of Use of Assets	147.34	51.91
Other Non Current financial assets	8.47	11.56
Deferred Tax Asset (Net)	1.40	105.65
Other non-current assets	-	25.88
Inventories	969.90	254.50
Trade receivables	1,843.33	1,241.36
Cash and cash equivalents	-	20.37
Tax assets (Net)	18.38	14.63
Other current financials assets	2,207.01	-
Other current assets	58.16	2.52
Total Assets (A)	**5,441.46**	**1,917.92**
Liabilities		
Borrowings	325.24	-
Lease liabilities	149.77	59.80
Trade Payables	189.95	320.23
Provisions	10.28	7.40
Other non-current liabilities	-	3.92
Other financial liabilities	35.50	43.09
Current tax liabilities (Net)	4.20	14.64
Other current liabilities	22.44	5.10
Total Liabilities (B)	**737.39**	**454.18**
Net Assets (A-B)	**4,704.06**	**1,463.74**
Fair value of assets recognised at the date of acquisition	**4,704.06**	**975.89**

v) During the previous year, following were the development in the subsidiaries of Lux International AG (one of the Subsidiary of the Group) -

(i) Lux Deutschland GmbH (a subsidiary of Lux International AG) became insolvent and was liquidated and deconsolidated with effect from 08th May 2020.

(ii) Lux Italia s.r.l (a subsidiary of Lux International AG) was liquidated and deconsolidated with effect from 31st December 2020.

(iii) Lux Norge AS (a subsidiary of Lux International AG) was sold to external party and deconsolidated with effect from 31st December 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

Assets and liabilities de-recognised at the date of divestment

₹ in lakhs

Particulars	Lux Deutschland GmbH	Lux Italia s.r.l	Lux Norge AS
Assets			
Total Non Current Assets	3,145.04	-	567.27
Total Current Assets	3,910.95	18.79	0.89
Total Assets	7,055.99	18.79	568.16
Liabilities			
Total Non Current Liabilities	4,636.59	-	161.95
Total Current Liabilities	3,623.73	-	358.79
Total Liabilities	8,260.32	-	520.74
Net Assets derecognised	(1,204.33)	18.79	47.42
Gain / (loss) on Disposal			
Consideration received	-	-	-
Net Assets derecognised	(1,204.33)	18.79	47.42
Non Cash Gain / (loss) on Disposal / Deconsolidation (Refer Note below)	1,204.33	(18.79)	(47.42)
Net Cash inflow arising on disposal			
Cash consideration received	-	-	
Cash and cash equivalents disposed off	(946.64)	(5.37)	(263.95)
Net cash inflow / (outflow)	(946.64)	(5.37)	(263.95)

Note - Due to Deconsolidation effect of Lux Deutschland GmbH, there is further non cash gain of ₹ 2,024.41 lakhs owing to derecognisation of liabilities by other group companies towards Lux Deutschland GmbH by virtue of settlement agreement.

68. The following matter has been included in the financial statements of Forbes Technosys Limited (FTL), a subsidiary, which is reproduced as follows:

"Mangement note on material uncertainty related to going concern:

The Company has incurred a net loss of Rs. 4,222.56 lakhs during the year ended March 31, 2022. The Company's current liabilities exceeded its current assets by Rs. 15,064.50 lakhs as at March 31, 2022. The Company has accumulated losses of Rs. 31,727.78 lakhs and its net worth is negative as at March 31, 2022. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

The Management has made an assessment of the impact of COVlD-19 on the Company's operations, financial performance and position for the year ended 31st March 2022, and has concluded that the impact was primarily on the operational aspects of the business during the initial months of the year ended 31st March 2022. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on current assessments in preparation of the financials results.

The Company has exited loss making business verticals and is now focusing on serving customer orders based on regular supply of raw materials and logistics services. The Company has assessed recoverability of its assets such as trade receivables, inventory, other current assets and loans and advances and believes that it will recover the carrying amount of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

During the year, the shareholders, i.e. Forbes & Company Limited ("the Parent Company") and Forbes Campbell Finance Limited, have provided additional Inter Corporate Deposits ("ICDs") aggregating to Rs. 5,183.23 lakhs (net of repayments) to support the repayment of maturities of long term debts.

Further, based on the requests from Parent Company, exercising their rights for conversion, outstanding ICDs of Rs. 3,000 lakhs and Rs. 1,800 lakhs have been converted into equity shares of the Company during the months of June 2021 and July 2021, respectively, aggregating to 4,80,00,000 equity shares of Rs. 10 each of the Company. Post conversion, the shareholding of the Parent, stands at 7,30,00,000 equity shares fully paid up of Rs. 10 each representing 76.93% of the total equity share capital of the Company.

The Board of Directors of the Company has also approved a scheme of arrangement during the year to improve the position of the Company. (Refer Note 6 for further details).

The Company is confident of repayment of all liabilities, as and when due, from business operations and/ or financial support from the Parent Company and accordingly, the financial results of the Company have been prepared on a going concern basis."

Note 6 as described above has been reproduced as note 59 in this Consolidated Financial Statements.

69. The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding ("MOU") for sale of approximately 3.804 acres of land at Chandivali with a net carrying value as on 31st March, 2022 aggregating ₹ 2,315.70 Lakhs [including ₹ 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during the year ended 31st March, 2022], which has been reflected as asset held for sale, for a consideration of ₹ 20,000.00 Lakhs.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement For Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an increased consideration of ₹ 23,500.00 Lakhs. The new AFS was executed on 24th March, 2022 and the completion of the said transaction subject to fulfilment of conditions precedent is expected to be completed in Q1 of FY 2022-2023. Further, the Company has received an advance of ₹ 4,000.00 Lakhs from Equinix during the year ended 31st March, 2022 which has been disclosed under Other Liabilities.

70. The following matters have been included in the financial statements of Forbes Lux International AG, a subsidiary of the Group, which are reproduced as follows:

Financial Difficulties -

Forbes Lux International Ltd. and its direct subsidiaries (Lux Group) faced financial difficulties during the last years and the period ended 31 December 2021.

Forbes Lux International Ltd. and the Lux group's ability to continue as a going concern depends on the continuing financial support of its ultimate parent company, Eureka Forbes Limited located in India (EFL). The Board of Directors of Lux International AG have taken necessary steps to revive and stabilize the business of Lux Group. Further, the ultimate parent company, EFL, issued a financial support letter dated 27 January 2021, that they undertake financial support to the extended needed to keep Forbes Lux International Ltd. and Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31 March 2022. Should EFL be unable to provide necessary liquid funds support or equity, this would constitute a material uncertainty that would cast significant doubt about Forbes Lux International AG's ability to continue as a going concern. If Forbes Lux International Ltd. is not able to continue as a going concern, the financial statement must be prepared at liquidation values. The impact of such change in basis of accounting could be material and the necessary provisions would have to be followed by the Board of Directors."

71. The following matters have been included in the consolidated financial statements of Lux International AG, a subsidiary of the Group, which are reproduced as follows:

"Going concern assessment

After the outbreak of the pandemic in 2020, 2021 was the first full year where Lux and its direct and indirect subsidiaries lived with the consequences of the worldwide Covid19 situation.

Adjusting the corporate structure

The Board of Directors has taken decisions to divest two unprofitable operations in 2020, which impacted positively on the 2021 performance, as these local losses did not incur any longer. This concerned the subsidiary of Lux Germany (declared insolvency in April 2020, and was de-consolidated as of 30th June 2020), and of Lux Norway (sold to the Managing Director with effect as of 31st December 2020). The respective figures for 2020 left the consolidation perimeter, and improved the 2021 result:

(all figures in 000 EUR)

Positive effects on Lux Group after de-consolidating Germany and Norway:	
-4'375	Net Sales
-3'063	Gross Profit
2'905	S&M costs
1'094	Direct admin expenses
936	**TOTAL effect**

During 2021, the Board of Directors took the decision to divest the 50% share in AMC South Africa. There have no synergy effects been achieved between the two companies, and the financial participation could be sold off to the partner shareholder, creating a 926k CHF cash inflow, but leading to an impairment on the sale of the shares of 4'956k EUR.

In December 2021, the Board of Directors decided to discontinue the operations of the Swiss subsidiary, Lux Switzerland, from 2022 onwards. The company had simply lost its critical mass. The decision led to a provision for the winding-down costs, and to the elimination of the Deferred Tax Asset; totally amounting to 259k EUR. Since 1st March 2022, the operation is handled as an independent Distributorship.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

De-leveraging the Balance Sheet

Our parent company, India-based Eureka Forbes Ltd., took care of the complete repayment of the Bank Facilities which they had guaranteed, raised at ICICI Bank, London. These financial liabilities amounted to 6'420k EUR as of 31st December 2020, and were completely repaid by Eureka Forbes by or before 30th June 2021.

Strengthening the Equity portion in the Balance Sheet

Eureka Forbes Ltd. undertook two transactions to strengthen the Equity portion in the Balance Sheet of Lux International AG during 2021. They agreed to convert 4'546k EUR/5'000k CHF from liabilities into share capital, as of 2nd March 2021. Furthermore, they granted a tax-privileged, non-cash effective Restructuring contribution amounting to 6'890k EUR/7'450k CHF, as of 30th June 2021.

These transactions led to a significant strengthening of the equity base of the company: While Lux International AG (stand-alone) reported a Net Equity of 3'475k CHF as of 31st December 2020, the same amounted to 10'081k CHF as of 31st December 2021. Our Equity Ratio increased from 16% up to 47%. - The respective figures for the Consolidated Balance Sheet amount to a negative equity of -1'970k EUR (31st December 2020), respectively 4'604k EUR (31st December 2021); equivalent to an Equity Ratio of 27%. By these transactions, the shareholder has clearly expressed his will and ability to maintain a sufficient equity base, absorbing the restructuring losses during the pandemic.

Autonomous self-financing of the group's operations

The last cash-effective financial support of the shareholder into the treasury of Lux International AG goes back to the 23rd June 2020 (200k USD). Since then, Lux Group has handled its entire liquidity management autonomously and self-financed. This includes, amongst others, the following significant elements:

- Obtaining a SwissGov COVID19 loan, amounting to 500k CHF for Lux International AG, in March 2020. Repayable from September 2022 onwards in 12 instalments of 41.7k CHF each (September 2022 two tranches)
- Obtaining a SwissGov COVID19 loan, amounting to 35k CHF for Lux Switzerland, in March 2020. This loan has been completely repaid in December 2021
- Obtaining the firm commitment to finance up to 450k EUR of development costs for the NewGen Aeroguard360 by our Danish Distributor, Nordic2Care. As of 31st December 2021, 100k EUR of this credit line have been disbursed
- Paying the contractually agreed down-payments to the German Insolvency Administrator, amounting to 350k EUR (December 2020) and 450k EUR (December 2021), fully and on-time

While it must be stated that the corporate treasury is still in a quite fragile situation, the fact of running it self-financed has not been seen for more than 5 years.

Reaching the operational turnaround

The absolute amounts of the group's Net Results require a differentiated view to recognise the purely operational improvement that has been achieved. The Net Result "from operations", leaving out the impairments of terminated subsidiaries, and also leaving out the restructuring contributions obtained from the parent company, shows a clear picture of reaching the turnaround.

(all figures in 000 EUR)

Description	2021	2020
Consolidated Net Result, as reported	1'818	6'785
Add back: Impairments of de-consolidation of terminated subsidiaries *)	5'314	-1'243
Deduct: Restructuring contributions obtained from parent company	6'890	-10'597
Consolidated Net Result, from operations	242	-5'055

*) 2021: AMC South Africa, Switzerland
2020: Germany, Norway, Italy

2022 expectations and valuation

The past periods since the outbreak of the pandemic have revealed the vulnerability of the Net Sales volumes of Lux Group. While the aggregated Net Sales over the entire group declined by -15% in 2020 compared to previous year, the group could even catch back +4% in 2021. With the forced trend towards the creation of more Distributors, away from fully-owned subsidiaries, the group has significantly mitigated the risks from local Net Losses. Distributor-based incomes are "per definition" risk free for Lux Group, as the entire cost exposure is on the side of the Distributor. The actions taken since 2020 (Germany, Norway, Italy, Switzerland) clearly follow that logic.

Lux Group has visibly shifted towards a much more flexible cost structure in the past 2 years. The results from 1st Quarter 2022 reveal that even a Net Sales volume of -7% compared to the budget still leaves the group with a positive Pre-Tax Profit.

At the same time, the Board of Directors is fully aware of the relevance of the sales volumes, both with fully-owned subsidiaries and distributors, for its projections of profits – being both relevant for the underlying value of the financial participations in the books of Lux International AG, and the future discounted cash flows. The group contains these risks by maintaining activities in diversified markets, by new market openings (Central and South America), and by bringing new generations of main units to its markets (2020: New steam cleaner EcoLux NEO, new Air purifiers Aeroguard S and Aeroguard SENSE, new vacuum cleaners SpeedyLux and EasyMove; 2021: new water purifier Waterguard THIN). Furthermore, the product pipeline is filled with relevant new developments and sourcing (completely new models of a Water Softener, NewGen air purifier Aeroguard360, new robotic vacuum cleaner, etc.).

Going Concern conclusion

The Board of Directors has assessed in-depth the risks, opportunities and threats of Lux Group; both for the Holding company, Lux International AG, and the Group as a whole (Consolidated Statements). Based on the aforementioned elements, the Board has come to the clear decision that "Going Concern" for both entities is granted.

The company is led by a strong, highly competent Executive Management Board (EMB) under the leadership of its CEO, Urs Meier. This management body has led the company out of the heavy losses of the past years, and delivered a clear turnaround in 2021. Despite all odds, the company maintains a selffinanced treasury since 2020, and pushes its product range forward by units which the market requests and accepts. From the side of the shareholder, all necessary steps have been taken to restore a positive equity base. With a fundamentally de-leveraged balance sheet structure, and with a net equity of >10mn CHF at the level of the Holding company, the group is well set for a further growth, and could also absorb further unexpected losses.

The Board of Directors, considering all risks and opportunities which can be assessed today, fully endorses all valuations reflected in the accounts of the company, both on a group level and in the legal entity of Lux International AG."

72. The Consolidated financial statements were approved by the Board of Directors of the Group at their meeting held on 30th May, 2022.

73. The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in Shapoorji Pallonji Forbes Shipping Limited , an associate as at 31st March, 2022 of the Group. Accordingly, the net carrying value of the investment of ₹ 2,756.09 lakhs has been classified as asset held for sale as at 31st March, 2022.

74. During the year ended 31st March, 2021, Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), sold three of its vessels for an aggregate consideration of USD 18.13 million to 3 different buyers. The difference between the sales consideration (net of expenses) and net book value as on the date of the sale of the respective vessels has been recorded as an exceptional loss amounting to ₹ 4,610.52 Lakhs in the Statement of Profit and Loss.

In March 2022, the Company sold its Neelambari vessel for an aggregate consideration of USD 7.60 million. The vessel was delivered to the buyer on 17th March, 2022. Loss on sale of ₹ 663.90 lakhs has been recorded as an exceptional loss being the difference between net book value and net sale value for the quarter and year ended 31st March, 2022.

In December 2021, the Company resolved to sell its Saranga vessel for an aggregate net consideration of USD 12.36 million. Memorandum of Understanding has been signed with the buyer for sale of the vessel. The net book value (NBV) of the vessel is USD 8.80 million. The sale transaction has been completed subsequent to the year end.

75. During the previous year one of the subsidiary, Forbes Technosys Limited (FTL), decided to discontinue certain operations relating to online utility recharges and money transfer service forming part of ForbesExpress. Accordingly, the Group has presented the profit/(loss) in respect of these discontinued operations separately in the Statement of Profit and Loss as a single amount.

The summary of results of the aforesaid discontinued operations, as included under the Statement of Profit and Loss, is as follows:

₹ in Lakhs

Particulars	**For the year ended March 31, 2022**	*For the year ended March 31, 2021*
Revenue from operations	-	*872.87*
Total Income	-	*872.87*
Expenses:		
Purchases of stock-in-trade (traded goods)	-	*675.79*
Employee benefits expense	-	*56.07*
Depreciation and amortisation expense	-	*17.16*
Other expenses	-	*195.50*
Total expenses	-	*944.52*
Profit / (Loss) before tax and Exceptional items from discontinued operations	-	*(71.65)*
Exceptional Items (Refer Note 36)	-	*(789.25)*
Profit / (Loss) before tax from discontinued operations	-	*(860.90)*
Tax Expense	-	-
Profit / (Loss) after tax from discontinued operations	-	*(860.90)*
Net Cash flows from discontinued operations		
Operating Activities	-	*(11.16)*
Investing Activities	-	-
Financing Activities	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

76. Pursuant to the composite scheme of arrangement as described in note 66, EFL and related entities in the Health and Hygiene segment as described in the scheme will be demerged into FESL. The aforesaid scheme has been approved by the Hon'ble National Company Law Tribunal as at 25th January, 2022 and meets the criteria prescribed in Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" to be considered as discontinued operations. Accordingly, the Demerged Undertaking as defined in the Scheme has been disclosed as discontinued operations in these financial statements.

Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved entering into a binding term sheet for sale of its entire shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company to SILA Solutions Private Limited. The binding term sheet has been executed on 23rd February, 2022 and the definitive agreement for sale has been executed on 20th May, 2022. The transaction is subject to completion of conditions precedent as shall be set out in the definitive documents and is likely to be completed by Q1/ Q2 of FY 2022-2023. The proposed sale consideration is Rs 4,200.00 Lakhs, subject to certain closing adjustments.

Accordingly, individual line items of revenue, expenses, assets and liabilities pertaining to the previous year have been reclassed and the amount pertaining to discontinued operations has been disclosed as a single line in the financial statements.

The summary of results of the aforesaid discontinued operations, is as follows:

Particulars	**For the year ended March 31, 2022**	*For the year ended March 31, 2021*
Revenue (Including Other Income)	**1,82,307.84**	*1,93,131.30*
Total Income	**1,82,307.84**	*1,93,131.30*
Expenses	**1,77,931.23**	*1,93,274.59*
Total expenses	**1,77,931.23**	*1,93,274.59*
Profit / (Loss) before tax, Share of profit of joint ventures and associates accounted for using equity method and Exceptional items from discontinued operations	**4,376.61**	*(143.29)*
Add: Share of profit of joint ventures and associates accounted for using equity method	-	*351.03*
Profit / (Loss) before tax and Exceptional items from discontinued operations	**4,376.61**	*207.74*
Exceptional Items	**4,52,928.87**	-
Profit / (Loss) before tax from discontinued operations	**4,57,305.48**	*207.74*
Tax Expense	**2,078.58**	*1,989.59*
Profit / (Loss) after tax from discontinued operations	**4,55,226.90**	*(1,781.85)*
Net Cash flows from discontinued operations		
Operating Activities	**11,516.50**	18,671.59
Investing Activities	**(5,781.55)**	(12,945.70)
Financing Activities	**(6,622.59)**	*(4,190.11)*

For details of Assets and Liabilities pertaining to discontinued operations, Refer Note 16B and 16C

77. Previous year figures have been reclassified for comparative purposes to give effect to disclosures as per composite merger-demerger scheme and to reflect disclosures for discontinued operations. (Refer Note 16 and 66).

78. In case of a subsidiary, Forbes Facility Services Private Limited (FFSPL)-

Remuneration paid/ payable to Mr. Vinay Deshmukh (Executive Director and CEO) which was approved in the Board meeting held on 03rd February, 2021 exceeds the limit prescribed under section 197 by ₹ 121.77 lakhs and is subject to shareholders approval. The Company (FFSPL) has charged the excess remuneration paid / payable in the Statement of Profit and Loss for the year ended 31st March, 2021. Pending such approval, the remuneration already paid in excess of the limit amounting to ₹ 1.63 lakhs is held in trust by Mr Vinay Deshmukh.

79. The Covid-19 pandemic has severely disrupted the world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Group, its joint ventures and associates were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Group commenced with its operations in a phased manner in line with the directives from the authorities.

The Group has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the second wave in the country) on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, intangible including goodwill, trade receivables, inventory and investments as at the Balance Sheet date. Based on the management's review of the current indicators and economic conditions there are no additional adjustments on its financial statements for the year ended 31st March, 2022. The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

The Group throughout the lockdown period and even subsequently has been able to maintain adequate control of its assets and there are no significant changes to its control environment during the period.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial statements. The Group will continue to monitor any material changes to future economic conditions.

80. The Indian Parliament has approved the Code on Social Security, 2020 ('the Code') which, inter alia, deals with employee benefits during employment and post-employment. The code has been published in the Gazette of India. The effective date of the Code is yet to be notified and rules for quantifying the financial impact are also yet to be issued. In view of this, impact of the change, if any, will be assessed and recognized post notification of the relevant provisions.

81. Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i. Details of benami property held

There are not any proceedings that have been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at March 31, 2022.

ii. Wilful defaulter

The Group has not been declared wilful defaulter by any Bank or Financial Institution or other lender who has powers to declare a Group as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.

iii. Relationship with struck off companies

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv. The Group is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

v. (a) The Group has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds) during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or,

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) during the year with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or;

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi. Undisclosed income

The Group does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year

vii. Details of crypto currency or virtual currency

The Group has not traded or invested in Crypto currency or Virtual Currency during the current or previous year.

viii. Valuation of Property, plant and equipment (including right-of-use assets), intangible asset and investment properties.

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

82. Other Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i. Registration of charges or satisfaction with Registrar of Companies.

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

ii. Utilisation of borrowings availed from banks and financial institutions.

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued

iii. The Group has five CICs which are part of the Group

- SP Finance Private Limited,
- SC Finance and Investments Private Limited,
- Hermes Commerce Private Limited,
- Renaissance Commerce Private Limited, and
- Shapoorji Pallonji Oil & Gas Private Limited (the entity has applied to RBI for registration as CIC).

83. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 30th May, 2022

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: 30th May, 2022

Notes

Shapoorji Pallonji

Built to last...since 1865

FORBES ENGINEERING DIVISION MANUFACTURING FACILITY

WALUJ, AURANGABAD

FORBES

Forbes & Company Limited

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