FORBES & COMPANY LIMITED

FINANCIAL STATEMENTS OF SUBSIDIARY COMPANIES
FOR THE YEAR ENDED 2018-19

FORBES & COMPANY LIMITED

Reports and Accounts of Subsidiary Companies

2018-2019

Contents

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements

For the Year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT
To the Members of AquaIgnis Technologies Pvt Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AquaIgnis Technologies Pvt Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act;

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

    i. The Company does not have any pending litigations that would impact its financial position;

    ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No.15935

Place : Mumbai
Date : 29-April-2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed Assets have been physically verified by the management during the year and no material discrepancies were identified on such verification

(c) The company does not have ownership of any immovable property.

(ii) The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

(iv) The Company has not granted any Loans, made Investments, given Guarantees and Security under Section 185 and 186 of the Act. Thus paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, no dues on account of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were outstanding on account of disputes.

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There are no borrowings from any financial institution, Government or debenture holders during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Company has not paid any managerial remuneration under the provisions of Section 197 read with schedule V to the Companies Act 2013. Accordingly paragraph 3(xi) of the Order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No.15935

Place : Mumbai
Date : 29-April-2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Aquaignis Technologies Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No.15935

Place : Mumbai
Date: 29-April-2019

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

			Notes	As at March 31, 2019 ₹	₹	As at March 31, 2018 ₹	₹
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	4		17,022,249		18,989,071
(b)		Intangibles :					
	(i)	Software	5		-		-
(c)		**Financial assets**					
	(i)	Other financial assets	8	172,396	172,396	153,303	153,303
(d)		Tax assets					
	(i)	Current Tax Asset (Net)	11	-	-	-	-
(e)		Other non-current assets	10		-		-
		Total Non-current Assets			**17,194,645**		**19,142,374**
		Current Assets					
(a)		Inventories	6		17,696,958		11,024,516
(b)		Financial assets					
	(i)	Trade receivables	7	12,567,492		10,265,244	
	(ii)	Cash and cash equivalents	9	109,805	12,677,297	6,503,210	16,768,454
(c)		Other current assets	10		1,977,869		719,234
					32,352,124		28,512,204
		Total Current Assets			**32,352,124**		**28,512,204**
		Total Assets			**49,546,769**		**47,654,578**

BALANCE SHEET AS AT 31ST MARCH, 2019

		Notes	As at March 31, 2019 ₹	₹	As at March 31, 2018 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	12	58,557,340		58,557,340	
(b)	Other Equity	13	(24,068,188)		(20,028,852)	
	Equity attributable to owners of the Company			34,489,152		38,528,488
	Total Equity			34,489,152		38,528,488
	Liabilities					
	Non-current Liabilities					
(a)	Provisions	17		105,183		309,760
	Total Non-current Liabilities			105,183		309,760
	Current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	14	6,400,807		-	
(ii)	Trade and other payables :					
	Total outstanding dues to micro enterprise and small enterprises.		2,777,210		2,969,006	
	Total outstanding dues to creditors other than micro enterprise and small enterprises.	15	4,542,403		4,006,190	
(iii)	Other financial liabilities	16	1,129,049	14,849,469	1,644,150	8,619,346

BALANCE SHEET AS AT 31ST MARCH, 2019

		Notes	As at March 31, 2019 ₹	₹	As at March 31, 2018 ₹	₹
(b)	Provisions	17		2,849		8,288
(c)	Other current liabilities	18		100,116		188,696
				14,952,434		8,816,330
	Total Current Liabilities			14,952,434		8,816,330
	Total Liabilities			15,057,617		9,126,090
	Total Equity and Liabilities			49,546,769		47,654,578
				-		-

As per our report of even date

For and on behalf of the Board of Directors

Significant accounting policies 3

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Suresh Redhu
Ms. Kavita Gandhi
Directors

Atul Mehta
Partner
Membership No. 15935

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 29th April, 2019

Statement of Profit and Loss for the year ended 31st March, 2019

		Notes	Year 2018-19 ₹	Year 2017-18 ₹
I	**Income**			
	Revenue from Operations	19	61,732,888	72,535,061
	Other income and other gains / (losses)	20	711,059	283,327
	Total Income		**62,443,947**	**72,818,388**
II	**Expenses**			
	Cost of materials consumed		51,205,738	49,768,821
	Purchases of stock-in-trade	21	2,205,689	2,313,498
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		(2,032,629)	(67,953)
	Excise Duty on sale of goods		-	2,078,658
	Employee benefits expense	22	2,730,860	5,361,784
	Finance costs	23	374,220	302,403
	Depreciation and amortisation expense	24	1,966,822	2,668,106
	Other expenses	25	9,958,486	8,971,032
	Total expenses		**66,409,186**	**71,396,349**
III	**Profit / (Loss) before exceptional items and tax**		**(3,965,239)**	**1,422,039**
	Add/ (Less) : Exceptional items			-
IV	**Profit / (Loss) before tax**		**(3,965,239)**	**1,422,039**
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
			-	-
V	**Profit / (Loss) for the year**		**(3,965,239)**	**1,422,039**
VI	**Profit / (Loss) for the year**		**(3,965,239)**	**1,422,039**
VII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans		**(74,097)**	**54,625**
(b)	Equity instruments through other comprehensive income		-	-
(c)	Income tax relating to items that will not be reclassified to profit or loss		-	-
			(74,097)	**54,625**
B	Items that may be reclassified to profit or loss			
(a)	Income tax relating to items that may be reclassified to profit or loss			
			-	-
	Total other comprehensive income (A + B)		**(74,097)**	**54,625**
	Total comprehensive income for the period (VII+VIII)		**(4,039,336)**	**1,476,664**
	Earnings per equity share:	26		
	(1) Basic & Diluted (in Rs.)		(0.68)	0.24

As per our report of even date

For and on behalf of the Board of Directors

Significant accounting policies 3

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Suresh Redhu
Ms. Kavita Gandhi
Directors

Atul Mehta
Partner
Membership No. 15935

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 29th April, 2019

Cash Flow Statement for the year ended 31st March, 2019

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
		₹	₹
Cash flows from operating activities			
Profit / Loss for the year		(3,965,239)	1,422,039
Adjustments for:			
Finance costs		374,220	302,403
Investment income			-
Interest Income		(13,093)	(12,039)
Loss/ (Gain) on disposal of property, plant and equipment		-	-
Depreciation and amortisation of non-current assets (continuing operations)		1,966,822	2,668,106
Net foreign exchange (gain)/loss - unrealised		246,375	50,223
		(1,390,915)	**4,430,732**
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(2,302,248)	(762,982)
(Increase)/decrease in inventories		(6,672,442)	2,468,911
(Increase)/decrease in current Other Assets		(1,258,635)	(340,327)
(Increase)/decrease in non current Other Assets		-	-
(Increase)/decrease in non current Other Financial Assets		(6,000)	-
Increase/ (Decrease) in trade and other payables		98,042	(1,024,634)
Increase/(Decrease) in provisions		(284,113)	(877)
Increase/(Decrease) in other liabilities		(603,681)	137,645
		(11,029,077)	477,736
Cash generated from operations		**(12,419,992)**	**4,908,468**
Income taxes paid		-	-
Net cash generated by operating activities		**(12,419,992)**	**4,908,468**
Cash flows from investing activities			
Interest received		-	-
Payments for property, plant and equipment		-	(203,000)
Net cash (used in)/generated by investing activities		-	(203,000)
Cash flows from financing activities (Refer note)			
Net increase / (decrease) in working capital borrowings		6,400,807	(4,714,061)
Interest paid		(374,220)	(302,403)
Net cash used in financing activities		6,026,587	(5,016,464)
Net increase in cash and cash equivalents		(6,393,405)	(310,996)
Cash and cash equivalents at the beginning of the year		6,503,210	6,814,206
Cash and cash equivalents at the end of the year		**109,805**	**6,503,210**

Note: All changes in liabilities arising from financial activities during the year were comprising of cash flow movements and no non-cash adjustments were made

Movement in Short-term Borrowings

Particulars	2018-19	2017-18
Opening balance	0	4,714,061
Cash in-flows	61,641,843	79,873,580
Cash out-flows	68,042,650	75,159,519
Closing balance	6,400,807	0

As per our report of even date

For and on behalf of the Board of Directors

The notes referred to above form an integral part of the financial statements

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Suresh Redhu

Ms. Kavita Gandhi

Directors

Atul Mehta
Partner
Membership No. 15935

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 29th April, 2019

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

a. Equity share capital	Amount
Balance at March 31, 2018	**58,557,340**
Changes in equity share capital during the year	-
Balance at March 31, 2019	**58,557,340**

B. Other Equity

	Reserves and surplus		Items Of Other Comprehensive Income		
	Retained earnings	Total	Other items of other comprehensive income (re-measurement of defined benefits)	Total	Total Other Equity
	₹	₹	₹	₹	₹
Balance at March 31, 2018	**(20,028,852)**	**(20,028,852)**	**-**	**-**	**(20,028,852)**
Profit for the year	(3,965,239)	(3,965,239)		-	(3,965,239)
Other comprehensive income for the year, net of income tax		-	(74,097)	(74,097)	(74,097)
Total comprehensive income for the year	**(3,965,239)**	**(3,965,239)**	**(74,097)**	**(74,097)**	**(4,039,336)**
Transfer to retained earnings	(74,097)	(74,097)	74,097	74,097	-
Balance at March 31, 2019	**(24,068,188)**	**(24,068,188)**	**-**	**-**	**(24,068,188)**

As per our report of even date

For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Suresh Redhu
Ms. Kavita Gandhi
Directors

Atul Mehta
Partner
Membership No. 15935

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 29th April, 2019

1. **Reporting entity**

Aquaignis Technologies Private Limited (the ‘Company’) is a Company domiciled in India, with its registered office situated at Khasra 3946, 3961 and 3962, Lal Tappar Industrial Area, Majri Grant, Dehradun Haridwar Highway, Dehradun - 248140. The Company is a 100% subsidiary of Eureka Forbes Limited a Company incorporated under the Companies Act, 1956. The Company is primarily involved in manufacturing of electric water purifier.

The manufacturing facility of the Company is located at Lal Tappar Industrial Area in the State of Uttarakhand.

2. **Basis of preparation**

a. **Statement of compliance**

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.
Details of the Company’s accounting policies are included in Note 3.

b. **Functional and presentation currency**

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency.

c. **Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities and defined benefit plan assets measured at fair value.

d. **Use of estimates and judgements**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 24 – employee benefit plans
- Note 3(h) and 31 – provisions and contingent liabilities
- Note 3(l) and 28 – Income taxes
- Note 3(j) and 35 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:
-Note 27 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
-Note 33 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the management that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The finance team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments which are recognised at fair value through OCI (FVOCI).

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets within this category.

On initial recognition of an equity investment that is not held for trading, the Company has elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment‑by‑investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. The Company does not have any financial assets within this category.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amotised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held‑for‑trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any fixed liabilities under the category of FVTPL.

iii. *De-recognition*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not de-recognised.

Financial liabilities

The Company de-recognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also de-recognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant and machinery (including moulds)	15 years	15 years
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Electric fittings	10 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed off).

d. Intangible assets

i. Acquired intangible

Intangible assets comprise purchased technical know how are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Intangible assets are amortised over a period of 10 years for technical know how and 3 years for others.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on:
-financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows ‘simplified approach’ for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits

i. *Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

h. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

i. Revenue

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2018. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.The goods are considered as 'transferred' when the customer obtains control of those goods.

Revenue from services is recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

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

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

j. Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company’s Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

k. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

n. Recent accounting pronouncements

- **Ind AS 116 Leases** : Ministry of Corporate Affairs has notified Ind AS 116, Leases on March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.
  The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

- **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments** : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses,

unused tax credits and tax rates.
The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

- **Amendment to Ind AS 12 – Income taxes** : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

- **Amendment to Ind AS 19 – plan amendment, curtailment or settlement**- The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:
  a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
  b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

  Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

Notes to the financial statements for the year ended March 31, 2019

4. Property Plant and Equipment

Cost or Deemed Cost	Leasehold Improvements	Plant & Equipment	Moulds of Water Purifier	Furniture & Fixtures	Electrical Installations and Equipment	Computers	Office Equipment	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2017	3,924,576	15,812,642	6,412,249	713,699	2,057,758	371,404	11,999	1,251,177	30,555,504
Additions	-	-	353,000	-	-	-	-	-	353,000
Deletions	-	-	-	-	-	-	-	-	-
As at 31st March,2018	3,924,576	15,812,642	6,765,249	713,699	2,057,758	371,404	11,999	1,251,177	30,908,504
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-
As at 31st March,2019	3,924,576	15,812,642	6,765,249	713,699	2,057,758	371,404	11,999	1,251,177	30,908,504

Depreciation	Leasehold Improvements	Plant & Machinery	Moulds of Water Purifier	Furniture & Fixtures	Electrical Equipment	Computers	Office Equipment	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2017	2,989,909	3,596,794	1,263,951	226,289	459,977	325,314	2,839	405,854	9,270,927
Charge for the year	798,955	1,013,452	420,492	69,135	196,393	25,111	2,277	122,691	2,648,506
Deletions	-	-	-	-	-	-	-	-	-
As at 31st March,2018	3,788,864	4,610,246	1,684,443	295,424	656,370	350,425	5,116	528,545	11,919,433
Charge for the year	135,712	1,013,453	424,750	69,136	196,393	2,408	2,278	122,692	1,966,822
Deletions	-	-	-	-	-	-	-	-	-
As at 31st March,2019	3,924,576	5,623,699	2,109,193	364,560	852,763	352,833	7,394	651,237	13,886,255
Net Block									
As at 31st March,2019	-	10,188,943	4,656,056	349,139	1,204,995	18,571	4,605	599,940	17,022,249
As at 31st March,2018	135,712	11,202,396	5,080,806	418,275	1,401,388	20,979	6,883	722,632	18,989,071
As at 31st March,2017	934,667	12,215,848	5,148,298	487,410	1,597,781	46,090	9,160	845,323	21,284,577

5. Intangibles

Cost or Valuation	Software ₹	Total ₹
As at 31st March,2017	116,742	116,742
Additions	-	-
Deletions	-	-
As at 31st March,2018	116,742	116,742
Additions	-	-
Deletions	-	-
As at 31st March,2019	116,742	116,742

Depreciation	Software ₹	Total ₹
As at 31st March,2017	97,142	97,142
Charge for the year	19,600	19,600
Deletions	-	-
As at 31st March,2018	116,742	116,742
Charge for the year	-	-
Deletions	-	-
As at 31st March,2019	116,742	116,742
Net Block		
As at 31st March,2019	-	-
As at 31st March,2018	-	-
As at 31st March,2017	19,600	19,600

Notes to the financial statements for the year ended March 31, 2019 - continued

6. Inventories

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
a) Inventories (lower of cost and net realisable value)		
Finished Goods	2,133,575	100,946
Raw Material, Components and Packing Material {includes in transit ₹ 60,40,170/- (*Previous year: Nil*)}	15,563,383	10,923,570
	17,696,958	11,024,516

Financial Assets

7. Trade receivables

	Non Current		Current	
Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade receivables :				
Unsecured, Debts due from related parties, considered good	-	-	12,567,492	10,265,244
Total (A)	-	-	12,567,492	10,265,244
Total (A)	-	-	12,567,492	10,265,244

7.1 Trade receivables

(i) The average credit period on sales is 60 days. Company's all receievable are of related party.
(ii) The company has taken cash credit facility amounting to Rs. 2 crores from Axis Bank which is secured by a floating charge on entire current assets and movable fixed assets and carries interest @ 9.75% p.a.

8. Other financial assets

	Non Current		Current	
Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Bank deposits with more than 12 months maturity	126,520	126,520		
Security deposits - unsecured considered good - to related parties	9,400	3,400		
Interest Accrued -				
on fixed deposits with Banks	36,476	23,383		-
	172,396	153,303	-	-

9. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Balances with Banks in current accounts	109,805	6,346,465
Cheques, drafts on hand	0	156,745
Total Cash & Cash Equivalents	**109,805**	**6,503,210**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months *	126,520	126,520
Amount disclosed under non-current assets (Note 8)	(126,520)	(126,520)
Total Bank Balances other than Cash & Cash Equivalents	**-**	**-**
Cash and cash equivalents as per statement of cash flows	109,805	6,503,210

10. Other assets

	Non Current		Current	
Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Capital Advances	-	-	-	-
Prepaid expenses	-	-	778,007	50,809
Advances recoverable in cash or kind	-	-	3,945	93,746
Balance with statutory/ government authorities	-	-	1,195,917	574,679
Total	-	-	1,977,869	719,234

11. Current tax assets and liabilities

	Non Current		Current	
Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	-	-		
Total	-	-	-	-

Notes to the financial statements for the year ended March 31, 2019 - continued

12. Equity Share Capital

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Equity share capital	58,557,340	58,557,340
Total	58,557,340	58,557,340
Authorised Share capital :		
75,00,000 fully paid equity shares of ₹ 10 each	75,000,000	75,000,000
Issued and subscribed capital comprises:		
58,55,734 fully paid equity shares of ₹.10 each (as at March 31, 2018: 58,55,734)	58,557,340	58,557,340
	58,557,340	58,557,340

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at March 31, 2018	5,855,734	58,557,340
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2019	**5,855,734**	**58,557,340**

Fully paid equity shares have a par value of ₹10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited *	5,855,734	100%	2,927,867	50%
Waterlogic PLC *	-	0%	2,927,867	50%
Total	5,855,734	100%	5,855,734	100%

***Note:** During the year, Waterlogic PLC which was the Joint venture partner transferred 29,27,867 shares held by it to Eureka Forbes Limited in pursuance of a share purchase agreement and accordingly the share transfer was recorded by the company on 13 June, 2018. Subsequent to this transfer of shares, the Company is a wholly owned subsidiary of Eureka Forbes Ltd.

13A. Other equity

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Retained earnings		
Balance at beginning of year	(20,028,852)	(21,490,238)
Add/ (less): Profit/ (loss) for the year	(3,965,239)	1,422,039
Add: Transfer from other comprehensive income	(74,097)	39,347
Balance at end of the year	**(24,068,188)**	**(20,028,852)**
Items of Other Comprehensive Income		
Balance at beginning of year	-	(15,278)
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(74,097)	54,625
Less: Transfer to retained earnings	74,097	(39,347)
Balance at end of the year	**-**	**-**
Total	**(24,068,188)**	**(20,028,852)**

13B. 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 Note 14 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 12).

The gearing ratio were as follow:

Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (i)	6,400,807	-
Less: Cash and cash equivalent	109,805	-
Net debt	6,291,002	-
Equity (ii)	34,489,152	38,528,488
Net debt to equity ratio (%)	***18.24***	-

Notes to the financial statements for the year ended March 31, 2019 - continued

Financial Liabilities

14. Current Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured - at amortised cost		
(a) Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	6,400,807	-
Total	6,400,807	-

(i) Short term borrowing from banks is secured by hypothecation of entire current assets and movable fixed assets and carries interest @ 9.75% p.a. (Previous year 9.55% p.a.).

15. Trade payables

Particulars	Non Current		Current	
	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Trade payables (including acceptances) (Refer note below for dues to Micro and Small Enterprises)	-	-	7,108,555	6,642,790
Trade payables to related parties [Refer note 29]	-	-	211,058	332,406
Total	-	-	7,319,613	6,975,196

The average credit period for purchase of certain goods is 45 days.

15.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to MSME suppliers as on year end	2,761,437	2,969,006
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	15,773	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

16. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(d) Others :-				
-Dues to employees	-	-	921,652	1,407,887
-Other Payables	-	-	207,397	236,263
Total	-	-	1,129,049	1,644,150

17. Provisions

Particulars	Non Current		Current	
	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Employee benefits - Compensated Absences	49,986	160,417	2,017	5,573
Gratuity payable	55,197	149,343	832	2,715
Total	**105,183**	**309,760**	**2,849**	**8,288**

16.1 Provision for Compensated Absences
Based on past experience the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 Months

18. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
(a) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT etc.)		-	100,116	188,696
Total	-	-	100,116	188,696

Notes to the financial statements for the year ended March 31, 2019 - continued

19. Revenue from operations

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
(a) Sale of product		
- Finished Goods Domestic (Including Excise duty of Rs.Nil for year Ended March 2019 and Rs.20,78,658 for Year Ended March 2018)	51,957,063	65,423,734
- Finished Goods Export	6,201,333	3,133,138
- Traded Goods	3,344,142	3,977,529
(b) Other operating revenues		
Scrap sales	-	660
Job Work	230,350	-
Total	**61,732,888**	**72,535,061**

20. Other Income and other gains/ (losses)

Other Income	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	13,093	12,039
Miscellaneous Income	697,966	271,288
	711,059	**283,327**

21. Cost of materials consumed

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Inventory at the Beginning of the Year	10,923,570	13,460,434
Add:- Purchases	55,845,551	47,231,957
	66,769,121	**60,692,391**
Less:- Inventory at the End of the Year	15,563,383	10,923,570
Cost of Raw Material, Components and Packing Material Consumed	51,205,738	49,768,821
Purchase of Traded Goods	2,205,689	2,313,498
Finished goods		
Opening Stock	100,946	32,993
Less : Closing stock	2,133,575	100,946
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	(2,032,629)	(67,953)
Total	51,378,798	52,014,366

22. Employee benefits expense

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and Wages	2,499,536	5,055,413
Contribution to provident and other funds	77,735	150,684
Staff Welfare Expenses	153,589	155,687
Total	**2,730,860**	**5,361,784**

Notes to the financial statements for the year ended March 31, 2019 - continued

23. Finance costs

	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Interest on bank overdrafts and loans (other than those from related parties)	282,212	184,569
Other borrowing costs	92,008	117,834
Total	**374,220**	**302,403**

24. Depreciation and amortisation expense

Particulars	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Depreciation of property, plant and equipment pertaining to continuing operations	1,966,822	2,648,506
Amortisation of intangible assets (Note X)	-	19,600
Total depreciation and amortisation pertaining to continuing operations	1,966,822	2,668,106

25. Other expenses

Particulars	Year ended 31 March 2019 ₹	Year ended 31 March 2018 ₹
Power & Fuel	835,400	710,203
Rent	3,119,330	3,079,390
Repairs and Maintenance -		
Building	68,982	-
Machinery	-	13,500
Others	54,742	285,126
Insurance	153,842	193,450
Postage & Courier	200,566	38,273
Contract Labour Cost	2,176,105	1,199,562
Research and Development Exp.	13,850	57,838
Payment to Auditors (Refer details Below)	254,600	285,442
Printing and Stationery	45,408	26,803
Communication cost	52,144	110,646
Travelling and Conveyance	337,422	524,132
Legal and Professional Fees	607,500	725,470
Rates and taxes, excluding taxes on income	64,741	23,118
Logistics Expenses	958,491	769,545
Other Establishment Expenses	706,936	769,762
Exchange difference (net) (other than considered as finan	308,427	158,772
Loss on sale of fixed assets (net)	-	-
Total	**9958486**	**8971032**

Payments to auditors	Year ended 31 March 2019	Year ended 31 March 2018
a) For audit	184,000	204,262
b) For taxation matters	45,000	50,650
c) For company law matters	-	-
d) For other services	25,600	25,600
e) For reimbursement of expenses	-	4,930
Total	**254,600**	**285,442**

Note 26 : Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders of company

	As at March 31, 2019 INR	As at March 31, 2018 INR
Profit attributable to equity holders of the company:		
Continuing operations	(3,965,239)	1,422,039
Profit attributable to equity holders of the company for basic earnings	**(3,965,239)**	**1,422,039**

ii. Weighted average number of ordinary shares

	As at March 31, 2019 INR	As at March 31, 2018 INR
Issued ordinary shares at April 1	5,855,734	5,855,734
Effect of shares issued as Bonus shares	-	-
Weighted average number of shares at March 31 for basic EPS	**5,855,734**	**5,855,734**
Effect of dilution:		
	5,855,734	**5,855,734**

Basic and Diluted earnings per share

	As at March 31, 2019 INR	As at March 31, 2018 INR
Basic earnings per share	(0.68)	0.24

Notes to the financial statements for the year ended March 31, 2019 - continued

27 There is no contingent liability as on March 31, 2019 (previous year NIL).

28 Commitments (to the extent not provided for)
Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹ Nil (*previous year ₹ Nil).*

29 As required under Ind As 24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India, the list of related parties and their transactions is attached.

30 The Company was set up with the objective of manufacturing water purifiers. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company. The Company has one customer to whom sales are made in excess of 10 % of total sales.

31 In accordance with Ind AS 17 disclosures in respect of Leases are made below :
a) The Company has taken factory premises on cancellable operating lease basis. Lease payments in respect of such lease recognised in the statement of profit & loss is ₹31,19,330 (previous year ₹ 30,79,390).
b) Except for escalation clauses contained in certain lease arrangements providing for increase in the lease payments by a specified percentage /amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than prior approval of the lessee before the renewal of lease.
c) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lesser is required for further leasing. There is no contingent rent payment.

32 Net foreign exchange difference gain/ loss, included in the statement of profit and loss is a net loss of ₹ 3,08,427/- (*Previous Year ₹ 1,58,772/-).*

33 The company has not recognised deferred tax assets as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

34. Employee benefit obligation

	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Compensated absences	49,986	2,017	160,417	5,573
Gratuity	55,197	832	149,343	2,715
	105,183	2,849	309,760	8,288

(i) *Defined benefit plan - Gratuity*

The Company provides for gratuity for employees 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 an unfunded.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	As at March 31, 2019	As at March 31, 2018
Present value of obligation as at the beginning of the year	152,058	164,335
Current service cost	42,453	30,269
Interest expense	11,556	12,079
Transfer amount	(224,135)	-
Total amount recognised in profit or loss	(170,126)	42,348
Remeasurements		
(Gain)/loss from change in financial assumptions	74,097	(54,625)
Experience (gains)/losses		
Total amount recognised in other comprehensive	74,097	(54,625)
Benefit payments	-	-
Present value of obligation as at the end of the year	56,029	152,058

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2019	As at March 31, 2018
Discount rate	7.66%	7.60%
Salary growth rate	5.50%	5.50%
Retirement age	58 years	58 years
Withdrawal rates	2.00%	2.00%
Weighted average duration of defined benefit obliga	5 years	5 years

Assumptions regarding future mortality rates are based on Indian Assured Lives Mortality (2006-08) Ultimate as published by Insurance Regulatory and Development Authority (IRDA).

The actuarial valuation is carried out yearly by an independent actuary. The discount rate used for determining the present value of obligation under the defined benefit plan is determined by reference to market yields at the end of the reporting period on Indian Government Bonds. The currency and the term of the government bonds is consistent with the currency and term of the defined benefit obligation.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Year ended 31 March 2019
Discount rate (0.50% increase)	(2,539)
Discount rate (0.50% decrease)	2,722
Future salary growth (0.50% increase)	2,766
Future salary growth (0.50% decrease)	(2,601)

The above sensitivity analyses are based on a 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 methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

(ii) *Defined contribution plan*

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the spcified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 118,299 (31 March 2018: Rs 208,086).

Notes to the financial statements for the year ended March 31, 2019 - continued

35. Financial Instrument - Fair value and risk management

A. Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financials liabilities

As at 31 March 2019

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets not measured at fair value				
Trade receivables	-	12,567,492	-	12,567,492
Cash and cash equivalents	-	109,805	-	109,805
Other financial assets	-	172,396	-	172,396
Other current assets	-	1,977,869	-	1,977,869
	-	14,827,562	-	14,827,562
Financial liabilities not measured at fair value				
Borrowings	-	-	6,400,807	6,400,807
Trade payables	-	-	7,319,613	7,319,613
Other financial liabilities	-	-	1,129,049	1,129,049
	-	-	14,849,469	14,849,469

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

As at 31 March 2018

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
Financial assets not measured at fair value				
Trade receivables	-	10,265,244	-	10,265,244
Cash and cash equivalents	-	6,503,210	-	6,503,210
Other financial assets	-	153,303	-	153,303
Other current assets	-	719,234	-	719,234
	-	17,640,991	-	17,640,991
Financial liabilities not measured at fair value				
Borrowings	-	-	-	-
Trade payables	-	-	6,975,196	6,975,196
Other financial liabilities	-	-	1,644,150	1,644,150
	-	-	8,619,346	8,619,346

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

B. Measurment of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

The company does not have any Investment.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments :
- Credit risk
- Liquidity risk
- Market risk
- Interest risk

Risk management framework

The Company's management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company conduct yearly risk assessment activities to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing periodic risk assessment is carried out. The Board of directors periodically monitors the risk assessment.

i) Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in financial loss.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	12,567,492	10,265,244
Cash and cash equivalents	109,805	6,503,210
Loans	-	-
Other financial assets	172,396	153,303
Other current assets	1,977,869	719,234

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region of the Company was:

Particulars	As at 31 March 2019	As at 31 March 2018
Within India	9,877,144	6,823,427
Outside India	2,690,348	3,441,817

The maximum exposure to credit risk for trade receivables, cash and cash equivalents and other bank balances at the reporting date by type of counterparty was:

Particulars	As at 31 March 2019	As at 31 March 2018
Product Marketing company	12,567,492	10,265,244
Bank balances and deposits with bank	109,805	6,503,210
Other bank balances	126,520	126,520

Trade receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairement loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account historical experience with customers.

Trade receivables are typically unsecured as the Company does not hold collateral as security. Since the Company derives its significant revenue from a related party, the Company is not exposed to significant credit risk.

The age of trade and other receivables at the reporting date was:

Particulars	As at 31 March 2019	As at 31 March 2018
Not due	6,314,434	6,491,038
0-30 days	6,253,058	3,774,206
	12,567,492	10,265,244

Bank balances and deposits with banks

Credit risk from balances with banks is managed by the company's finance department as per Company's policy. Investment of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Board of directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to the financial statements for the year ended March 31, 2019 - continued

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

As at 31 March 2019

			Contractual cash flows				
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	6,400,807	6,400,807	6,400,807	-	-	-	-
Trade payables	7,319,613	7,319,613	7,319,613	-	-	-	-
Other financial liabilities	1,129,049	1,129,049	1,129,049	-	-	-	-
	14,849,469	14,849,469	14,849,469	-	-	-	-

As at 31 March 2018

			Contractual cash flows				
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Borrowings	-	-	-	-	-	-	-
Trade payables	6,975,196	6,975,196	6,975,196	-	-	-	-
Other financial liabilities	1,644,150	1,644,150	1,644,150	-	-	-	-
	8,619,346	8,619,346	8,619,346	-	-	-	-

Notes to the financial statements for the year ended March 31, 2019 - continued

iii) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables, deposits with banks and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of Company. The functional currency of the Company is Indian Rupees. The Company is primarily exposed to foreign currency fluctuation between the USD and Indian Rupees

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	As at 31 March 2019	As at 31 March 2018
Financial assets		
Trade receivables	2,690,348	3,441,817
	2,690,348	3,441,817
Financial liabilities		
Trade payables	1,991,373	206,521
	1,991,373	206,521

Sensitivity analysis

A 10% appreciation of the USD as indicated below, against Indian Rupees would have decreased gain by the amounts shown below:

Particulars	Profit or loss
31 March 2019	
USD (10% strengthening)	199,137
31 March 2018	
USD (10% strengthening)	20,652

A 10% depreciation of the USD against Indian Rupees would have had the equal but opposite effect on the above currency to the amounts shown above, on basis that all other variables remain constant.

Notes to the financial statements for the year ended March 31, 2019 - continued

iv) Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at 31 March 2019	As at 31 March 2018
Fixed rate instruments		
Financial assets		
Deposit with banks	126,520	126,520
	126,520	126,520
Variable-rate instruments		
Financial liabilities		
Borrowings	6,400,807	-
	6,400,807	-

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
31 March 2019	
Variable-rate instruments	(64,008)
Cash flow senstivity	(64,008)
31 March 2018	
Variable-rate instruments	-
Cash flow senstivity	-

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

36. The figures of previous year have been regrouped wherever nesessary.

For and on behalf of the Board of Directors

For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Mr. Suresh Redhu
Ms. Kavita Gandhi
Directors

Atul Mehta
Partner
Membership No. 15935

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 29th April, 2019

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 29 forming integral part of financial statement:

29. Related Party Disclosures

(i) Names of related parties and nature of relationship.

(A) Holding Company

Eureka Forbes Limited
Forbes & Company Ltd - Holding Company of Eureka Forbes Ltd
Shapoorji Pallonji and Company pvt Ltd - Ultimate Holding Company

(B) Joint Venture Shareholders

Waterlogic Ltd - Joint Venture Shareholder (up to 13 June, 2018) *

(C) Enterprises which are the subsidiaries of Joint Venture Shareholders (where transactions have taken place during the year)

Qingdao Waterlogic Manufacturing Co. Ltd. [(subsidiary of Waterlogic Ltd) - up to 13th June, 2018]

(D) Enterprises which are the subsidiaries of Holding Company (where transactions have taken place during the year)

Aquadiagnostics Water Research & Technology Centre Limited (subsidiary of Eureka Forbes Limited) - up to 25th June, 2018
Forbes Lux FZCO (subsidiary of Eureka Forbes Limited)
Forbes Facility Services Private Limited - Fellow subsidiary

(E) **Enterprises that are under common control (where transactions have taken place during the year)**

Infinite Water Solutions Private Limited

(ii) Transactions with Related Parties for the year ended 31st March, 2019

		A	B	C	D	D	D	E	
		Eureka Forbes Limited	**Waterlogic Ltd**	**Qingdao Waterlogic Manufacturing Co. Ltd.**	**Aquadiagnostics Water Research & Technology Centre Limited**	**Forbes Lux FZCO**	**Forbes Facility Services Private Limited**	**Infinite Water Solutions Limited**	**Total**
		₹	₹	₹	₹	₹	₹	₹	
	Nature of Transaction								
	Purchases								
1	Goods and Materials	4,479,710	-	-	-	-	-	1,028,650	**5,508,360**
		1,002,875	-	*10,254,982*	-	-	-	*557,150*	*11,815,007*
2	Fixed Assets	-	-	-			-	-	-
		-	-	-	-	-	-	-	-
	Sales								
3	Goods and Materials (excluding taxes)	55,301,205	-	-	-	6,201,333	-	-	**61,502,538**
		67,322,828	-	-	-	*3,133,138*	-	-	*70,455,966*
	Expenses								
4	Rent	3,119,330	-	-	-	-	-	-	**3,119,330**
		3,079,390	-	-	-	-	-	-	*3,079,390*
5	Transportation, freight, handling and other charges	431,827	-	-	-	-	-	-	**431,827**
		551,651	-	-	-	-	-	-	551,651
6	Miscellaneous expenses	835,400	-	-	-	-	284,568	-	**1,119,968**
		833,065	-	-	*39,380*	-	*297,683*	-	*1,170,128*
			-						-
	Income								
7	Job Work Income	230,350	-	-	-	-	-	-	**230,350**
		-	-	-	-	-	-	-	-
8	Misc. Income	-	-	-	-	675,060	-	-	**675,060**
		-	-	-	-	*245,536*	-	-	*245,536*
	Other Receipts								-
8	Other Reimbursements	-	-	-	-	-	-	-	-
		14,445	-	-	-	-	-	-	*14,445*
	Finance								
9	Issue of Shares	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
10	Short Term Advances given	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-
	Balance Outstanding								
11	Trade Payables	-	-	-	-	-	42,967	168,091	**211,058**
		-	-	*107,910*	-	-	*57,408*	*167,088*	*332,406*
12	Trade Receivables	9,877,144	-	-	-	2,690,348	-	-	**12,567,492**
		6,823,427	-	-	-	*3,441,817*	-	-	*10,265,244*
13	Short Term Advances given	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

Foot note :

(i) Figures in italics are in respect of the previous year

*(ii) During the year, Waterlogic PLC, one of the Joint Venture shareholder, transferred all the shares held by it to Eureka Forbes Limited in pursuance of a share purchase agreeement and accordingly the share transfer was recorded by the company on 13 June, 2018. Accordingly the related party transactions with Waterlogic PLC and Qingdao Waterlogic Manufacturing Co. Ltd. have been reported till 13 June, 2018. Subsequent to the share tranfer, the Company is a wholly owned subsidiary of Eureka Forbes Ltd.

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

(a wholly owned subsidiary)

Financial Statements

For the Year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Campbell Properties & Hospitality Services Limited

Report on the audit of Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of **Campbell Properties & Hospitality Services Limited** ('the Company'), which comprise the Balance Sheet as at 31st March,2019, the Statement of Profit and Loss (including Other Comprehensive Income) and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.(herein after referred to as "Ind AS Financial Statements")

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 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 31st, 2019 and its loss, changes in equity and its cash flows for the year ended as on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have determined no other key audit matter to be communicated in our report.

Information other than the financial statements and auditor's report thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)[v] and cash flows of the Company in accordance with[vi] 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal controls systems in place and the operative effectiveness of such controls

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

- Conclude on the 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 auditors report to the related disclosures in the financial statements or , if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

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

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

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

   (c) the Balance sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this Report are in agreement with the books of account;

   (d) in our opinion, the aforesaidInd AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   (e) on the basis of the written representations received from the directors as on 31st March,2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March,2019 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B", and

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

      (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements

      (ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise

(iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Vinodchandra R Shah & Co.
Chartered Accountants
FRN: 115394W
Gaurav J. Parekh Partner
M No: 140694
Date : April 23, 2019
Place :Mumbai

<u>"ANNEXURE A" TO INDEPENDENT AUDITORS' REPORT OF CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED FOR THE YEAR ENDED 31ST MARCH 2019</u>

The Annexure referred to in paragraph 1 under the heading " Report on other Legal and Regulatory Requirements" of our report of even date :

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) Company does not own immovable properties and hence paragraph 3(i)(c) of the Order is not applicable.

(ii) As the company is engaged in the business of operations and maintenance of immovable properties, there is no inventory in hand at any point of time, hence paragraph 3(ii) of the Order is not applicable to the company.

(iii) The Company has granted loans to one Body Corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("The Act")

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the body corporate listed in the register maintained under Section 189 of the Act, were not, prima facie, prejudicial to the interest of the Company

b) In the case of the loans granted to the body corporate listed in the register maintained under section 189 of the Act, no stipulation is made with regard to payment of interest.

c) In the absence of stipulation with regard to payment of interest, we are unable to comment on the overdue interest amounts in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.

(iv) The Company has not entered into any transaction in respect of loan, investment, guarantee and securities, which attract compliance to the provisions of section 185 and 186 of the Companies Act, 2013. Therefore the paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits and the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder are not applicable to the company.

(vi) We have been informed that the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the Goods provided and Services rendered by the Company, which has been relied upon.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, Goods and Services Tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(viii) The Company has not taken any loans or borrowings from Government and not issued any debenture during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) ofthe Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In absence of any managerial personnel, no managerial remuneration has been paid and therefore the clause 3 (xi) of the Order are not applicable to the Company

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, all transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Vinodchandra R Shah & Co.
Chartered Accountants
FRN: 115394W

Gaurav J. Parekh
Partner
M No: 140694
Date : April 23, 2019
Place :Mumbai

"ANNEXURE B" TO INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls over financial reporting of Campbell Properties & Hospitality Services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Vinodchandra R Shah & Co.
Chartered Accountants
Firm Registration No.: 115394W

Gaurav Parekh
Partner
Membership Number: 140694
Place : Mumbai,
Date : April 23, 2019

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st March, 2019 ₹	*As at 31st March, 2018 ₹*
ASSETS			
1 Non-current assets			
a Property, Plant and Equipment	**4**	**38,447**	*49,601*
b **Financial Assets:**			
i) Other financial assets	**6A**	1,75,20,000	1,75,00,000
		1,75,20,000	*1,75,00,000*
c **Tax assets**			
i) Deferred tax assets (net)	**11**	**42,939**	*24,159*
ii) Tax assets (net)	**14**	**71,196**	*94,576*
		1,14,135	*1,18,735*
Total Non-current assets		**1,76,72,582**	*1,76,68,336*
2 Current assets			
a **Financial Assets:**			
i) Trade receivables	**5A.**	1,67,292	*5,55,950*
ii) Cash and cash equivalents	**7A**	5,04,060	*95,265*
		6,71,352	*6,51,215*
b Other current assets	**8A.**	1,576	*93,556*
Total Current assets		**6,72,928**	*7,44,771*
Total Assets		**1,83,45,510**	*1,84,13,107*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**9**	48,75,000	*48,75,000*
b Other equity	**10**	1,32,13,611	*1,32,66,401*
Equity attributable to owners of the Company		**1,80,88,611**	*1,81,41,401*
Total Equity		**1,80,88,611**	*1,81,41,401*
Liabilities			
1 Current liabilities			
a **Financial liabilities:**			
i) Trade and other payables	**13A**	2,32,591	*1,68,720*
		2,32,591	*1,68,720*
b Current tax liabilities (net)	**14**	21,821	*21,821*
c Other current liabilities	**12A**	2,488	*81,165*
Total Current Liabilities		**2,56,900**	*2,71,706*
Total Liabilities		**2,56,900**	*2,71,706*
Total Equity and Liabilities		**1,83,45,510**	*1,84,13,107*

See accompanying notes forming part of the financial statements 1 to 24

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Gaurav J. Parekh
Partner
Membership No.: 140694
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ____________________

RAVINDER PREM____________________

Directors

Mumbai, 23rd April, 2019

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

	Particulars	Note No.	Year Ended 31st March, 2019 ₹	*Year Ended 31st March, 2018 ₹*
I	Revenue from operations	15	11,29,900	*14,05,000*
II	Other income	16	3,260	*-*
III	**Total Income (I + II)**		**11,33,160**	*14,05,000*
IV	**Expenses:**			
	Depreciation and amortisation expense	17	11,154	*6,165*
	Other expenses	18	11,93,576	*13,64,978*
	Total expenses		**12,04,730**	*13,71,143*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**(71,570)**	*33,857*
VI	Exceptional items		-	*-*
VII	**Profit / (Loss) before tax (V + VI)**		**(71,570)**	*33,857*
VIII	**Tax expense / (credit):**			
	Current tax	19	-	*7,000*
	Deferred tax	19	**(18,780)**	*6,495*
			(18,780)	*13,495*
IX	**Profit/(Loss) for the period (VII - VIII)**		**(52,790)**	*20,362*
X	**Other Comprehensive Income**			
	Total Other Comprehensive Income		-	*-*
XI	**Total Comprehensive Income for the period (IX + X)**		**(52,790)**	*20,362*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share		₹ **(0.11)**	*₹ 0.04*

See accompanying notes forming part of the financial statements 1 to 24

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Gaurav J. Parekh
Partner
Membership No.: 140694
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT ________________________

Directors

RAVINDER PREM________________________

Mumbai, 23rd April, 2019

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

	Year Ended 31st March, 2019 ₹ in Lakhs		*Year Ended 31st March, 2018 ₹ in Lakhs*	
Cash flows from operating activities				
Profit / (Loss) before tax		**(71,570)**		*33,857*
Adjustments for -				
Depreciation and amortisation of non-current assets (continuing operations)	11,154		*6,165*	
		11,154		*6,165*
Operating profit / (loss) before working capital changes		**(60,416)**		*40,022*
Movements in working capital:				
Decrease / (increase) in trade receivables and other receivables	3,68,658		*(3,94,692)*	
(Increase)/decrease in other assets	91,980		*(77,556)*	
Increase / (decrease) in trade payables and other payables	63,870		*1,47,841*	
Increase / (decrease) in other liabilities	(78,677)		*81,165*	
		4,45,831		*(2,43,242)*
Cash generated from / (used in) operations		**3,85,415**		*(2,03,220)*
Income taxes paid (net of refunds)		23,380		*(1,31,336)*
(a) Net cash generated from / (used in) operating activities		***4,08,795***		*(3,34,556)*
Cash flows from investing activities:				
Purchase of fixed assets (including adjustments on account of capital work-in-progress and capital advances)	-		*(55,766)*	
(b) Net cash generated from / (used in) investing activities		-		*(55,766)*
Cash flows from financing activities:				
(c) Net cash generated from / (used in) financing activities		**-**		*-*
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**4,08,795**		*(3,90,322)*
(e) Cash and cash equivalents as at the commencement of the year		95,265		*4,85,587*
(f) Cash and cash equivalents as at the end of the year		**5,04,060**		*95,265*

See accompanying notes forming part of the financial statements 1 to 24

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Gaurav J. Parekh
Partner
Membership No.: 140694
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ________________________ *Chairperson*

NIRMAL JAGAWAT __________________________

RAVINDER PREM____________________________

Directors

Mumbai, 23rd April, 2019

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

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

a. Equity share capital	No.of Shares	₹ Amount
Balance at March 31, 2017	**4,87,500**	**48,75,000**
Changes in equity share capital during the	-	-
Balance at March 31, 2018	**4,87,500**	**48,75,000**

B. Other Equity

	Reserves and surplus		
	Securities premium reserve	Retained earnings	Total
	₹	₹	₹
Balance at March 31, 2017	**1,31,25,000**	1,41,401	**1,32,66,401**
Profit for the year	-	(52,790)	**(52,790)**
Other comprehensive income for the year, net of income tax			
Total comprehensive income for the year	**1,31,25,000**	**88,611**	**1,32,13,611**

See accompanying notes forming part of the financial statements 1 to 24

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

SHRIKRISHNA BHAVE _______________ *Chairperson*

NIRMAL JAGAWAT _______________

Directors

RAVINDER PREM_______________

Gaurav J. Parekh
Partner
Membership No.: 140694

Mumbai, 23rd April, 2019

Mumbai, 23rd April, 2019

1. GENERAL INFORMATION

The company was incorporated on December 13,2014 having registered office at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai, India. Company is 100% subsidiary of Forbes & Company Limited, Mumbai, India. Company in the business of letting of property on lease and rendering hospitality services.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. The date of transition to Ind AS is April 1, 2015.

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

ii) Basis of Preparation and Presentation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

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

iii) Property, Plant and Equipment

Property, Plant and Equipment are to be stated at cost of acquisition, less accumulated depreciation and accumulated impairment losses, if any. The cost will 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 to be deducted in arriving at the purchase price. Freehold land not to be depreciated.

Subsequent expenditures related to an item of property, plant and equipment are to be added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

Losses arising from the retirement of, and gains or losses arising from disposal of property, plant and equipment are to be recognised in the statement of profit and loss.

Depreciation on property, plant and equipment to be provided on straight line method as per the useful life prescribed in Schedule II to the Companies Act 2013.

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

iv) Capital work-in-progress

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

v) Investment property

Investment properties are properties to be held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are to be measured in accordance with Ind AS 16's requirements for cost model.

An investment property is to be 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 to be included in profit or loss in the period in which the property is derecognised.

vi) Intangible Assets

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

Amortisation is to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be 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 to be determined as the difference between the disposal proceeds and the carrying amount of the asset and are to be recognised as income or expense in the Statement of Profit and Loss.

vii) Intangible assets under development

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

viii) Impairment of Assets

The Company has to assess at end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Company has to estimate 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 to be reduced to its recoverable amount. The reduction is to be 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 to be 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.

ix) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity 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 profit or 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 points paid or received 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 profit or 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 profit or loss. The net gain or loss recognised in profit or 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 at FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, 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. 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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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 profit or 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.

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

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

x) 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.

xi) 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.

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.

xii) Revenue recognition

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

Sale of Services:

a) Income from services is recognised as and when the services are performed and accrued on time basis.
b) 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.

xiii) Foreign Currency Transactions

In preparing the financial statements of the Company entity, 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 profit or loss in the period in which they arise.

xiv) Lease accounting

Operating Leases

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

xv) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

xvi) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xvii) Borrowing Costs

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

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 profit or loss in the period in which they are incurred.

xviii) 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.

3. STANDARDS ISSUED BUT NOT EFFECTIVE

Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The Group has a number of material non-cancellable operating leases or leases having lease terms of more than 12 months that are impacted on adoption of this standard.

The main changes arising on the adoption of Ind AS 116 will be as follows:

1. In the Balance Sheet, interest-bearing borrowings and non-current assets will increase as obligations to make future payments will be recognised on the Balance sheet, along with the related 'right-of-use' (ROU) asset.

2. In the statement of profit & loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on ROU assets on a straight line basis).

3. In the statement of cash flows, net operating cash flows is expected to increase, with a corresponding increase in financing cash outflows. This is because, earlier, companies presented cash outflows on former off balance sheet leases as operating activities. In contrast, applying Ind AS 116, principal repayments on all lease liabilities are included within financing activities along with interest.

The adoption of Ind AS 116 will require the Company to make a number of judgements, estimates and assumptions. The company is evaluating the impact of the standard on the financial position, results of operation and cashflow.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

The management is in process of evaluating the the impact of the amendment on the financial position. The Company will adopt the amendment from April 1, 2019.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendment to Ind-AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is in process of evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

Annual Improvements to Ind AS

Ind AS 23, "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 12, "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

These interpretations are effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

4. **Property, plant and equipment**

	Office equipments	Total
Cost or Deemed cost		
Balance at April 1, 2018	55,766	55,766
Additions	-	-
Disposal	-	-
Balance at March 31, 2019	55,766	55,766
Accumulated depreciation and impairment		
Balance at April 1, 2018	6,165	6,165
Depreciation expense	11,154	11,154
Balance at March 31, 2019	17,319	17,319
		-
Carrying Amount		
Balance at April 1, 2018	49,601	49,601
Addition	-	-
Disposal	-	-
Depreciation expense	11,154	11,154
Balance at March 31, 2019	**38,447**	**38,447**
		-

	Office equipments	Total
Cost or Deemed cost		
Balance at April 1, 2017	-	-
Additions	55,766	55,766
Disposal	-	-
Balance at March 31, 2018	55,766	55,766
Accumulated depreciation and impairment		
Balance at April 1, 2017	-	-
Depreciation expense	6,165	6,165
Balance at March 31, 2018	6,165	6,165
		-
Carrying Amount		
Balance at April 1, 2017	-	-
Addition	55,766	55,766
Disposal	-	-
Depreciation expense	6,165	6,165
Balance at March 31, 2018	**49,601**	**49,601**

5. Trade receivables

5A. Trade receivables- Current

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Trade receivables		
a) Unsecured, considered good	1,67,292	*5,55,950*
Total	**1,67,292**	*5,55,950*

6. Other financial assets

6A. Other financial assets - Non current

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a) Security deposits		
- Unsecured, considered good	1,75,20,000	*1,75,00,000*
Total	**1,75,20,000**	*1,75,00,000*

7. 7A. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cas flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Balances with Banks		
a) In current accounts	5,03,773	*92,595*
	5,03,773	*92,595*
Cash on hand	287	*2,670*
Cash and cash equivalents as per balance sheet	**5,04,060**	*95,265*

8. Other assets

8A. Other assets - Current

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a) Advances for supply of goods and services		
- Unsecured, considered good	492	-
b) Balances with statutory / government authorities	1,084	*93,556*
Total	**1,576**	*93,556*

9. Equity Share Capital

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Authorised Share capital :		
500,000 fully paid equity shares of ₹ 10 each	**50,00,000**	*50,00,000*
Issued and subscribed capital comprises:		
4,87,500 fully paid equity shares of ₹ 10 each		
	48,75,000	*48,75,000*
	48,75,000	*48,75,000*

9. 1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2017	**4,87,500**	**48,75,000**
Movements	-	-
Balance at March 31, 2018	**4,87,500**	**48,75,000**

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

9. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and

	Fully paid ordinary shares	
Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Balance at the beginning of the period	**4,87,500**	*50,000*
The holding company	-	*4,37,500*
Total	**4,87,500**	*4,87,500*

9. 3 Details of shares held by each shareholder holding more than 5% shares

	As at 31st March, 2019		*As at 31st March, 2018*	
Particulars	Number of shares held	% holding in the class of shares	*Number of shares held*	% holding in the class of shares
<u>**Fully paid equity shares**</u>				
Forbes & Company Limited	**4,87,500**	**100.00**	*4,87,500*	*100.00*
Total	**4,87,500**	**100.00**	*4,87,500*	*100.00*

10. Other equity excluding non-controlling interests

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a) Securities premium reserve		
Balance at beginning of the year	**1,31,25,000**	*1,31,25,000*
Movements	**-**	*-*
Balance at end of the year	**1,31,25,000**	*1,31,25,000*
b) Retained earnings (Note 6)		
Balance at beginning of year	**1,41,401**	*1,21,039*
Profit attributable to owners of the Company	**(52,790)**	*20,362*
Balance at end of the year	**88,611**	*1,41,401*
Total	**1,32,13,611**	*1,32,66,401*

Note 1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

11. Deferred tax balances

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

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Deferred tax assets	**42,939**	*24,159*
Deferred tax liabilities	**-**	*-*
Net	**42,939**	*24,159*

Current Year (2018-2019)

Particulars	Opening balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	105	951	1,056
b) Deduction u/s 35D	17,617	(8,723)	8,894
Total (A) ...	**17,722**	**(7,772)**	**9,950**
a) Tax losses	-	26,552	26,552
b) Others (MAT Credit)	6,437	-	6,437
Total (B) ...	**6,437**	**26,552**	**32,989**
Total (A+B) ...	**24,159**	**18,780**	**42,939**

Previous Year (2017-2018)

Particulars	*Opening balance*	*Recognised in profit or loss*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	*-*	*105*	*105*
b) Deduction u/s 35D	*30,654*	*(13,037)*	*17,617*
Total (A) ...	*30,654*	*(12,932)*	*17,722*
a) Tax losses			*-*
b) Others	*-*	*6,437*	*6,437*
Total (B) ...	*-*	*6,437*	*6,437*
Total (A+B) ...	*30,654*	*(6,495)*	*24,159*

12. Other non-current liabilities

12A Other current liabilities

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a) Statutory remittances	**2,488**	*81,165*
Total	**2,488**	*81,165*

13. Trade payables

13A Trade payables - Current

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Trade payables	**2,32,591**	*1,68,720*
Total	**2,32,591**	*1,68,720*

The average credit period on purchases of certain goods is generally in range of 0 to 30 days. No interest is charged on the trade payables for the first 0 to 30 days from the date of the invoice.

14. Tax assets and liabilities

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Tax assets		
Tax receivable	**71,196**	*94,576*
	71,196	*94,576*
Tax liabilities		
Income tax payable	**21,821**	*21,821*
	21,821	*21,821*
Current Tax Assets (current portion)	**-**	-
Current Tax Assets (non-current portion)	**71,196**	*94,576*

15. Revenue from operations

Particulars	Year Ended 31st March, 2019	*Year Ended 31st March, 2018*
a) **Operating revenues**		
i) Rent and amenities	10,39,900	*13,15,000*
ii) Others	90,000	*90,000*
Total	**11,29,900**	*14,05,000*

16. Other Income

a) Interest Income

Particulars	Year Ended 31st March, 2019	*Year Ended 31st March, 2018*
i) Income Tax refund	3,260	-
Total	**3,260**	-

17. Depreciation and amortisation expense

Particulars	Year Ended 31st March, 2019	*Year Ended 31st March, 2018*
i) Depreciation of property, plant and equipment pertaining to continuing operations	11,154	*6,165*
Total depreciation and amortisation pertaining to continuing operations	**11,154**	*6,165*

18. A. Other expenses

Particulars	Year Ended 31st March, 2019	*Year Ended 31st March, 2018*
a) Power and fuel	91,249	*73,248*
b) Rent and hire charges	60,000	*60,000*
c) **Repairs to :**		
i) Buildings	1,16,004	*3,55,109*
ii) Others	30,696	*38,042*
	1,46,700	*3,93,151*
d) Rates and taxes (excluding taxes on income)	21,399	*5,295*
e) Housekeeping, Laundary and Supplies	7,77,041	*6,96,770*
f) Printing & Stationery	9,783	*8,681*
g) Communication	49,342	*35,370*
h) Legal and professional charges	16,300	*70,300*
i) Miscellaneous expenses	4,762	*5,163*
Sub Total	**11,76,576**	*13,47,978*
a) To Statutory auditors		
i) For audit	16,000	*16,000*
ii) For reimbursement of expenses	1,000	*1,000*
Sub Total	**17,000**	*17,000*
Total	**11,93,576**	*13,64,978*

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

19. Income taxes relating to continuing operations

19.1 Income tax recognised in profit or loss

Particulars	Year Ended 31st March, 2019	*Year Ended 31st March, 2018*
Current tax		
In respect of the current year	-	*7,000*
In respect of prior years	-	-
	-	*7,000*
Deferred tax		
In respect of the current year	(18,780)	*6,495*
In respect of the previous year	-	-
	(18,780)	*6,495*
Total income tax expense recognised in the current year relating to continuing Operations	**(18,780)**	*13,495*

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

Particulars	Year Ended 31st March, 2019	*Year Ended 31st March, 2018*
Profit before tax from continuing operations	**(71,570)**	*33,857*
Income tax expense calculated at 26% (Previous Year 25.75%)	(18,608)	8,718
Effect on deferred tax balances due to the change in income tax rate from 25.75% to 26%.	(170)	4,228
Rounding off tax provision	(2)	549
Income tax expense recognised in profit or loss (relating to continuing operations)	**(18,780)**	**13,495**

The tax rate used for the 2018-19 and 2017-2018 reconciliations above is the corporate tax rate of 26% and 25.75 % respectively payable by corporate entities in India on taxable profits under the Indian tax law.

20. Earnings per share

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
From Continuing operations	**₹ per share**	*₹ per share*
Basic earnings per share	**(0.11)**	*0.04*
Diluted earnings per share	**(0.11)**	*0.04*

19.1 Basic Earnings per share

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

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
Profit for the year attributable to owners of the Company (A)	**(52,790)**	*20,362*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**4,87,500**	*4,87,500*
Basic Earnings per share (A/B)	(0.11)	*0.04*

19.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
Earnings used in the calculation of basic earnings per share	**(52,790)**	*20,362*
Adjustments (describe)	-	-
Earnings used in the calculation of diluted earnings per share (A)	(52,790)	*20,362*
Weighted average number of equity shares used in the calculation of basic earnings per share	**4,87,500**	*4,87,500*
Adjustments [describe]		
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	**4,87,500**	*4,87,500*
Diluted earnings per share (A/B)	(0.11)	*0.04*

21. Financial instruments

21.1 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 equity of the Company (comprising issued capital, security premium reserve and retained earnings as detailed in notes 9 to 10).

21.2 Categories of financial instruments

₹

Particulars	31st March, 2019	*31st March, 2018*
Financial assets		
Measured at Amortised Cost		
a) Cash and bank balances	**5,04,060**	*95,265*
b)Trade receivables	**1,67,292**	*5,55,950*
c)Other financial assets	**1,75,20,000**	*1,75,00,000*
Financial liabilities		
Measured at Amortised Cost		
a) Trade payables	**2,32,591**	*1,68,720*

21.3 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

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 maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2019 and March 31, 2018 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(In ₹)

Maturities of Financial Liabilities	**March 31, 2019**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	2,32,591			
	2,32,591	**-**	**-**	**-**

(In ₹)

Maturities of Financial Liabilities	*March 31, 2018*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Trade Payables	*1,68,720*			
	1,68,720	-	-	-

22. (a) Related party disclosures

(A) Holding Company / Ultimate Holding Company

1 Shapoorji Pallonji & Company Private Limited (*Ultimate Holding Company*)
2 Forbes & Company Limited (*Intermediary Holding Company*)

(B) Fellow Subsidiaries (where there are transactions)

1 Shapoorji Pallonji Forbes Shipping Ltd.
2 Gokak Textiles Limited

22. Related party disclosures (contd.)

(In ₹)

(b)transactions/balances with above mentioned related parties

		Ultimate Holding Company	**Holding Company**			**Fellow Subsidiaries**						**Joint Ventures**		**Total**
		A	**A**	**A**	B	B	B	B	B	B	**B**	**C**	**C**	**A + B + C**
		Shapoorji Pallonji & Company	Forbes & Company Limited	**Total**	Eureka Forbes Ltd.	Gokak Textiles Limited	Volkart Fleming Shipping & Services Limited	Forbes Campbell Services Limited	Forbes Facility Services Pvt. Ltd.	Shapoorji Pallonji Oil And Gas Pvt. Ltd.	**Total**	Shapoorji Pallonji Bumi Armada Offshore Ltd.	**Total**	**Total**
	Nature of Transaction													
	Income:													
1	Rent and Other Service Charges	1,30,100	4,53,900	**5,84,000**	29,500	-	90,000	-	-	5,000	**1,24,500**	4,21,400	**4,21,400**	**11,29,900**
		7,20,200	-	*7,20,200*	-	*35,400*	*90,000*	*3,11,800*	-	*35,800*	*4,73,000*	*2,11,800*	*2,11,800*	*14,05,000*
	Expenses:													
2	Housekeeping charges	-	-	**-**	-	-	-	-	5,19,739	-	**5,19,739**	-	**-**	**5,19,739**
		-	-	-	-	-	-	-	*1,18,050*	-	*1,18,050*	-	-	*1,18,050*
3	**Other Reimbursements:**	-	52,363	**52,363**	-	-	50	-			**50**	-	**-**	**52,413**
		-	*2,79,931*	*2,79,931*	-	-	-	-			-	-	-	*2,79,931*
	Outstandings													
4	Trade Payables	-	-	**-**	-	-	-	-	1,84,942	-	**1,84,942**	-	**-**	**1,84,942**
		-	-	-	-	-	-	-	*1,36,935*	-	*1,36,935*	-	-	*1,36,935*
5	Trade Receivables	60,652	61,360	**1,22,012**	-	-	8,700	-		-	**8,700**	36,580	**36,580**	**1,67,292**
		48,380	-	*48,380*	-	-	*1,04,400*	*3,61,688*		*29,210*	*4,95,298*	*12,272*	*12,272*	*5,55,950*

Figures in italics are in respect of the previous year.

CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

23 The Company has adopted IND AS 115 " Revenue from contracts with customer" effective April,1 2018 using the modified retrospective transition approach, based on assessment done by the management, there is no material impact on the revenue recognition during the period.

24 Figures for the previous year have been regrouped wherever necessary.

In terms of our report attached
For Vinodchandra R Shah & Co.
Chartered Accountants
FRN- 115394W

Gaurav J. Parekh
Partner
Membership No.: 140694
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ___________________ *Chairperson*

NIRMAL JAGAWAT ______________________

RAVINDER PREM________________________

Directors

Mumbai, 23rd April, 2019

EFL MAURITIUS LIMITED

(a subsidiary of Eureka Forbes Limited)

Financial Statements

For the Year ended March 31, 2019

INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF EFL Mauritius Limited
Report on the Financial Statements

Opinion

We have audited the financial statements of EFL Mauritius Limited (the "Company") set out on pages 8 to 31 which comprise the statement of financial position as at 31 March 2019, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 March 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 International Ethics Standards Board for Accountants (IESBA Code) Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and Certificate from the Secretary. The other information does not include the financial statements and our auditor's report thereon.
Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

Directors' responsibilities for the financial statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the director’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 auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the directors 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.

Other Matter

This report is made solely to the Company’s member, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company’s member, those matters that we are required to state to it in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company’s member, for our audit work, for this report, or for the opinions we have formed.

Report on Other Legal and Regulatory Requirements
Mauritius Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Nexia Baker & Arenson	**Ouma Shankar Ochit FCCA**
Chartered Accountants	**Licensed by FRC**

Date: 16 May 2019

EFL MAURITIUS LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2019

	Notes	2019	2019	2018	2018
		EUR	INR	EUR	INR
ASSETS					
Non-current assets					
Available for sale financial asset	**4 (a)**	-	-	1,95,98,238	1,66,17,54,329
Financial asset at fair value through other comprehensive income	**4 (b)**	2,04,46,259	1,72,97,91,308	-	-
		2,04,46,259	1,72,97,91,308	1,95,98,238	1,66,17,54,329
Current assets					
Prepayments	**5**	2,925	2,27,442	2,650	2,11,646
Cash and cash equivalents		1,81,926	1,41,46,184	1,92,738	1,53,93,309
		1,84,851	1,43,73,626	1,95,388	1,56,04,955
Total assets		2,06,31,110	1,74,41,64,934	1,97,93,626	1,67,73,59,284
EQUITY AND LIABILITIES					
Capital and reserves					
Stated capital	**6**	2,87,20,231	2,12,34,26,392	2,87,20,231	2,12,34,26,392
Fair value reserve		(1,07,25,697)	(80,42,30,584)	(1,15,73,718)	(87,22,67,563)
Retained earnings		22,00,077	17,42,21,553	22,11,059	17,51,02,642
Foreign Currency Translation Reserve			21,68,06,328		21,62,71,706
		2,01,94,611	1,71,02,23,689	1,93,57,572	1,64,25,33,177
Current liability					
Other payables and accruals	**7**	4,36,499	3,39,41,245	4,36,054	3,48,26,107
Total equity and liabilities		2,06,31,110	1,74,41,64,934	1,97,93,626	1,67,73,59,284

These financial assets have been approved by the Board of Directors on 16 May 2019 and signed on its behalf by :

Subiraj Gujadhur
Director

Navun Dussoruth
Director

The notes on pages 12 to 31 form an integral part of these financial statements.

EFL MAURITIUS LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST MARCH 2019

	Notes	2019	2019	2018	2018
		EUR	INR	EUR	INR
Expenses					
Audit fees		2,472	1,98,329	2,332	1,79,083
FSC fees		1,473	1,18,179	1,543	1,18,493
Directors' fees		1,672	1,34,145	1,694	1,30,089
Bank Charges		1,277	1,02,454	1,169	89,772
Accounting fees		962	77,182	833	63,969
Taxation fees		962	77,182	873	67,041
TRC fees		1,016	81,514	1,194	91,692
Registered office and Secretarial fees		864	69,319	790	60,667
ROC fees		284	22,785	298	22,885
		10,982	8,81,089	10,726	8,23,690
Operating loss		(10,982)	(8,81,089)	(10,726)	(8,23,690)
Foreign Exchange Gain		-	-	47	3,609
Loss before taxation		(10,982)	(8,81,089)	(10,679)	(8,20,081)
Taxation	8	-	-	-	-
Loss for the year		(10,982)	(8,81,089)	(10,679)	(8,20,081)
Other comprehensive income:					
Items that may be subsequently reclassified to profit or loss:					
Change in fair value of available-for-sale financial asset	4 (a)	-	-	(1,21,15,993)	(93,04,33,143)
Change in fair value of financial asset at fair value through other comprehensive income	4 (b)	8,48,021	6,80,36,979	-	-
Total comprehensive income/(loss) for the year		8,37,039	6,71,55,890	(1,21,26,672)	(93,12,53,224)

The notes on pages 12-31 form an integral part of these financial statements.

EFL MAURITIUS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2019

	Stated capital		Fair Value Reserve		Retained earnings		Total	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
At 01 April 2017	**2,87,20,231**	**2,12,34,26,392**	**5,42,275**	**5,81,65,580**	**22,21,738**	**17,59,22,723**	**3,14,84,244**	**2,35,75,14,695**
Profit/(Loss) for the year	-	-	-	-	(10,679)	(8,20,081)	(10,679)	(8,20,081)
Other comprehensive loss for the year	-	-	(1,21,15,993)	(93,04,33,143)	-	-	(1,21,15,993)	(93,04,33,143)
At 31 March 2018	**2,87,20,231**	**2,12,34,26,392**	**(1,15,73,718)**	**(87,22,67,563)**	**22,11,059**	**17,51,02,642**	**1,93,57,572**	**1,42,62,61,471**
Profit/(Loss) for the year	-	-	-	-	(10,982)	(8,81,089)	(10,982)	(8,81,089)
Other comprehensive income for the year			8,48,021	6,80,36,979			8,48,021	6,80,36,979
At 31 March 2019	**2,87,20,231**	**2,12,34,26,392**	**(1,07,25,697)**	**(80,42,30,584)**	**22,00,077**	**17,42,21,553**	**2,01,94,611**	**1,49,34,17,361**

EFL MAURITIUS LIMITED

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

	Note	2019 EUR	2019 INR	2018 EUR	2018 INR
Cash flows from operating activities					
Loss before taxation		(10,982)	(8,20,081)	(10,679)	(8,20,081)
Adjustment for:					
Foreign exchange (gain)/loss		-	-	(47)	3,609
Operating loss before working capital changes		**(10,982)**	**(8,20,081)**	**(10,726)**	**(8,16,472)**
(Increase)/decrease in prepayments		(275)	(21,383)	296	23,640
Increase/(decrease) in other payable and accruals		445	(22,063)	(491)	(39,214)
Net cash used in operating activites		**(10,812)**	**(8,63,528)**	**(10,921)**	**(8,32,046)**
Net decrease in cash and cash equivalents		**(10,812)**	**(8,63,528)**	**(10,921)**	**(8,32,046)**
Effects of foreign exchange		-	-	47	3,609
Foreign Currency Translation Reserve			(3,83,597)		21,45,009
Cash and cash equivalents at beginning of the year		1,92,738	1,53,93,309	2,03,612	1,40,76,736
Cash and cash equivalents at end of the year		**1,81,926**	**1,41,46,184**	**1,92,738**	**1,53,93,309**

EFL Mauritius Limited

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

1. General information

EFL Mauritius Limited (the "Company") was incorporated in Mauritius under Mauritius Companies Act, 2001 on 02 December 2010 as a Private Company with liability Limited by shares and has its Registered office at Apex Fund Services (Mauritius) Ltd, 4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Mauritius. It holds a Category 1 Global Business Licence issued by the Financial Services Commission.

The principal activity of the Company is to act as an investment holding company. As at 31 March 2019, the Company's primary investment is in Forbes Lux International AG.

The financial statements of the Company are presented in Euro ("EUR").

2. Accounting policies

The principal Accounting Policies adopted in the preparation of these Financial Statements, which have been applied consistently, are set out below:

(a) Basis of preparation

The Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and under the Historical Cost convention except for Financial Instruments carried at fair value.

The preparation of Financial Statements in accordance with IFRS requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of Contingent Assets and Liabilities at the date of the Consolidated Financial Statements and the Reported Amounts of Revenues and Expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates.

Going concern

The Company's management has made an Assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the Financial Statements continue to be prepared on a going concern basis.

(b) Adoption of new and revised International Financial Reporting Standards
The new standards, amendments to published standards and interpretations listed below are effective in the reporting period

IFRS 15 Revenue from contracts with customer

IFRS 15 Revenue from contracts with customer is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The company has adopted IFRS 15 Revenue from Contracts with Customers from 1 January 2018 which resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions in IFRS 15, the Company has not restated comparatives for the 2017 financial year

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modifications that change an award from cash-settled to equity-settled. The amendent has no impact on the Company's financial statements.

Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)

The amendment provides two ifferent solutions for insurance companies: a temporary exemption from IFRS 9 for entities that meet specific requirements (applied at the reporting entity level), and the 'overlay approac'. Both approaches are optional. The amendment has no impact on the Company's financial statements

Annual Improvements to IFRSs 2014-2016 Cycle

• IFRS 1 - deleted short term exemptions covering transition provisions of IFRS 7, IAS 19 and IFRS 10 which are no longer relevant.

• IAS 28 - clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at inital recognition. The amendemnt has no impact on the Company's financial statements.

IFRIC 22 Foreign Currency Transactions and Advance Consideration. The interpretation clarifies how to determine the date of transactions for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. The amendment has no impact on the Company's financial statements

Transfers of Investment Property (Amendments to IAS 40). The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment has no impact on the Company's financial statements.

IFRS 9 Financial Instruments

The Company adopted IFRS 9 Financial Instruments on its effective date of 1 January 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measuremenr and introduces new requirements for classification and measurement, impairment and hedge accounting. IFRS 9 is not applicable to items that have already been derecognised at 1 January 2018, the date of initial application.

Classification and measurment

The company has assessed the classification of financial instruments as at the date of initial application and has applied such classification retrospectively. Based on that assessment:

• All financial assets previously held at fair value continue to be measured at fair value.

• Debt instruments and equity instrument, other than investments in subsidiaries and associates, are acquired for the purpose of generating short-term profit. Therefore, they meet the held-for-trading criteria and are required to be measured at fair value through profit or loss ("FVTPL")

• Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost under IFRS 9.

• The classification of financial liabilities under IFRS 9 remain broadly the same as under IAS 39. The main impact on measurement from the classification of liabilities under IFRS 9 relates to the element of gains or losses for financial liabilities designated as at FVTPL attributable to changes in credit risk. IFRS 9 requires that such element be recognised in other comprehensive income ("OCI"), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The company has not designated any financial liabilities at FVTPL. Therefore, this requirement has not had an impact on the Company.

Impairment

IFRS 9 requires the Company to record expected credit losses ("ECLs") on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. Given the limited exposure of the Company to credit risk, this amendment has not had a material impact on the financial statements. The company only holds receivables with no financing component and that have maturities of less than 12 months. Therefore, it has adopted an approach similar to the simplified approach to ECLs.

Hedge accounting

The Company has not applied hedge accounting under IAS 39 nor will it apply hedge accounting under IFRS 9.

Impact of adoption of IFRS 9

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as af the date of initial application. However, the Company has chosen to take advantage of the option not to restate comparitives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at 1 April 2018:

Financial Assets

1 January 2018	IAS 39 classification	IAS 39 measurement		IFRS 9 classification	IFRS 9 measurement	
		EUR	INR		EUR	
Financial asset at fair value through other comprehensive income	Available-for-sale	1,95,98,238	1,66,17,54,329	Fair value through other comprehensive income	1,95,98,238	1,66,17,54,329
Cash and cash equivalents	Loans and receivables	1,92,738	1,53,93,309	Amortised cost	1,92,738	1,53,93,309

Financial Liabilities

1 January 2018	IAS 39 classification	IAS 39 measurement		IFRS 9 classification	IFRS 9 measurement	
		EUR	INR		EUR	INR
Other payable and accruals	Other financial liabilities	4,36,054	3,48,26,107	Financial liabilities at amortised cost	4,36,054	3,48,26,107

In line with the characteristics of the Company's financial instruments as well as its approach to their management, the Company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories.

In addition, the application of the ECLs model under IFRS 9 has not significantly changed the carrying amounts of the Company's financial assets

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning or or after 1 January 2019 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
IFRS 16 Leases
IFRS 17 Insurance Contracts
IFRIC 23 Uncertainty over Income Tax Treatments
Prepayment Features with negative compensation (Amendments to IFRS 9)
Long - term interests in Associates and Joint Ventures (Amendments to IAS 28)
Annual Improvements to IFRSs 2015-2017 Cycle
Plan Amendment, Curtailment or Settlement (Amendments to IAS 19)
Definition of a Business (Amendments to IFRS 3)
Definition of Material (Amendments to IAS 1 and IAS 8)
Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(c) Foreign currency transactions

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the Company operates (''the functional currency"). The Company's performance is evaluated and its liquidity is managed in Euro. The financial statements are presented in Euro ("EUR") and all values are rounded to the nearest thousands.

(ii) Transactions and balances

Transactions denominated in foreign currencies are recorded in Euro at the rates of exchange rating at the dates of transactions. Monetary assets and liabilities at the reporting date which are denominated in foreign currencies are translated into Euro at the rate of exchange rating at that date. Exchange differences are taken to the statement of profit or loss and other comprehensive income.

(d) Financial asset at fair value through other comprehensive income

The company has a number of strategic investments in unlisted entity which is not accounted for as subsidiaries, associates or jointly controlled entities. For those investments, the Company has made an irrevocable election to classify the investments at fair value through other comprehensive income rather than through profit or loss as the Company considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognised in other comprehensive income and accumulated in the fair value through other comprehensive income reserve.

Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly to retained earnings and is not reclassified to profit or loss.

Dividends are recognised in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, in which case the full or partial amount of the dividend is recorded against the associated investmnets carrying amount.

Purchases and sales of financial assets measured at fair value through other comprehensive income are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the fair value through other comprehensive income reserve.

(e) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognised in statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous year.

(f) Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary difference arises from tax losses carried forward. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

(g) Stated capital

Ordinary shares and preference shares are classified as equity.

(h) Borrowings

Borrowings are recognised initially at fair value being their issue proceeds net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest method.

(i) Financial instruments

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

Financial assets

• Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not containa significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset as its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

• Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost includes cash and cash equivalents. The Company does not hold other class of financial assets.

• Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred substantially all the risks and rewards of ownership.

• Impairment

From 1 April, 2018, the Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a signifiacnt increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

• Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transactions costs. The Company's financial liability includes other payable and accruals.

• Subsequent measurement

Two measurement categories exist for financial liabilities: Fair value through profit or loss ("FVTPL") and amortised cost. Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied.

• Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(j) Receivables

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. Bad debts are written off during the year in which they are identified.

(k) Cash and cash equivalents

Cash and cash equivalents comprise of bank balances. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Other payable and accruals

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the net proceeds received and the amount payable is recognised over the period of the accrual using the effective interest method.

(m) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(n) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(o) Impairment

At end of each reporting period, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, and the carrying amount of the asset is reduced to its recoverable amount. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(p) Provisions

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

3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements and disclosure of contingent liabilities. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Judgements

In the process of applying the accounting policies, which are described in note 2, the directors have made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Functional currency

The determination of the functional currency is critical since recording of transactions and exchange differences arising there from are dependent on the functional currency selected. As described in note 2 (c), the directors have considered those factors described therein and have determined that the functional currency of the Company is the EUR.

4 (a) Available for sale financial asset

	2019	2019	2018	2018
At fair value	EUR	INR	EUR	INR
At beginning of the year	1,95,98,238	1,66,17,54,329	3,17,14,231	2,59,21,87,472
Transfer to financial asset at fair value through other comprehensive income (see note 4 (b))	(1,95,98,238)	(1,66,17,54,329)	-	-
Change in fair value	-	-	(1,21,15,993)	(93,04,33,143)
At end of the year	-	-	1,95,98,238	1,66,17,54,329

4 (b) Available for sale financial asset

	2019	2019	2018	2018
At fair value	EUR	INR	EUR	INR
At beginning of the year	-	-	-	-
Transfer from available for sale financial asset (see note 4 (a))	1,95,98,238	1,66,17,54,329	-	-
Change in fair value	8,48,021	6,80,36,979	-	-
At end of the year	2,04,46,259	1,72,97,91,308	-	-

Financial asset at fair value through other comprehensive income as at 31 March 2019 include the following:

Name of investee company	Country of Incorporation	Types of Shares (unquoted)	Number of Shares	% Held	Cost	Fair Value
Forbes Lux International AG	Switzerland	Ordinary Shares	**3,300**	8.97%	28,14,191	17,99,271
Forbes Lux International AG	Switzerland	Participation Shares*	**34,200**	100.00%	2,83,57,765	1,86,46,988
				EUR	3,11,71,956	2,04,46,259
				INR	2,53,40,21,892	1,66,20,76,394

*The Participation Shares have no voting rights.

Fair valuation estimation

IFRS 7 requires disclosure of fair value measurement by level of the following fair value measurement hierarchy:
Quoted prices (unadjusted) in active market for identical assets or liabilities-Level 1;

Inputs other than quoted prices as in level 1 that are observable for the asset or liability, either directly (that is,as prices) or indirectly(that is,derived from prices)-Level 2; and

Inputs for the asset or liability that are based on observable market data-Level 3

The following table presents the Company's financial asset at fair value through other comprehensive income that is measured at fair value at 31 March:

		Level 1	Level 2	Level 3	Total
2019					
Financial asset at fair value through	**EUR**			2,04,46,259	2,04,46,259
other comprehensive income	**INR**			1,72,97,91,308	1,72,97,91,308
2018					
Financial asset at fair value through	**EUR**	-	-	-	-
other comprehensive income	**INR**	-	-	-	-

5 Prepayments

	2019	2019	2018	2018
	EUR	INR	EUR	INR
Directors' Fees	1,195	92,921	1,074	85,777
TRC Fees	597	46,421	537	42,888
Registered Office and Secretarial Fees	557	43,311	501	40,013
FSC Fees	373	29,004	355	28,353
ROC Fees	203	15,785	183	14,616
	2,925	2,27,442	2,650	2,11,646

6 Stated capital

	2019	2019	2018	2018
	EUR	INR	EUR	INR
Issued and fully paid up:				
- Ordinary shares of EUR1 each				
At beginning and end of the year	15,001	9,45,546	15,001	9,45,546
- Preference shares of EUR1 each				
At beginning of the year	2,87,05,230	2,12,24,80,846	2,87,05,230	2,12,24,80,846
Issued During the year				-
At end of the year	2,87,05,230	2,12,24,80,846	2,87,05,230	2,12,24,80,846
Total	2,87,20,231	2,12,34,26,392	2,87,20,231	2,12,34,26,392

The Preference Shares shall have the following rights:

(a) The right to receive notice of and to vote at any meeting of the Shareholders, with each Preference Share having one vote;

(b) The Preference Shares shall be redeemable at the option of the shareholder at any time between the period following the second year of their issue until the nineteenth year of their issue. The Preference Shares shall be redeemed at their par value, or at such other price as may be determined by the Directors.

(c) The Preference Shares shall be convertible into Ordinary Shares at the ratio of 1:1, at the option of the shareholder at any time between the period following the second year of their issue until the nineteenth year of their issue. For the avoidance of doubt, one Participating Share is convertible into one Ordinary Share.

7 Other payables and accruals

	2019 EUR	2019 INR	2018 EUR	2018 INR
Payable to related parties (See note 9)	4,32,374	3,36,20,494	4,32,374	3,45,32,198
Accruals	4,125	3,20,751	3,680	2,93,909
	4,36,499	3,39,41,245	4,36,054	3,48,26,107

The amount payable to related party is unsecured, interest free and repayable on demand.

8 Taxation

(a) Income tax

Under current laws and regulations, the Company is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable on its foreign source income up to 30 June 2021 (the "date"). Post that date, the Company will be taxed at 15% and entitled to a partial exemption of 80% on all its income derived. Its operational expenses will also be proportionately disallowed accordingly resulting into a net tax of 3% subject to the following subject conditions:
i. employing, either directly or indirectly, a reasonable number of suitably qualified persons to carry out the core activities; and
ii. having a minimum level of expenditure of USD 30,000 incurred in Mauritius, which is proportionate to its level of activities.

The Company is a Category 1 Global Business Licence Company for the purpose of the Financial Services Act 2007. Interest income on call and deposit accounts from banks licenced under the Banking Act 2004 is exempt from tax till 30 June 2021. Gains or profits derived from the sale of units or of securities by a Company holding Category 1 business licence under the Financial Services Act 2007 are exempt in Mauritius.

No Mauritian capital gains tax is payable on profits arising from sale of securities, and any dividends and redemption proceeds paid by the Company to its shareholder will be exempt from any withholding tax in Mauritius.

(b) Tax reconciliation

	2019 EUR	2019 INR	2018 EUR	2018 INR
(Loss)/ Profit before Taxation	(10,982)	(8,81,089)	(10,679)	(8,20,081)
Tax calculated at 15% (2018:15%)	(1,647)	(1,32,163)	(1,602)	(1,23,024)
Adjustment for:				
Non-allowable expenses				
Non-deductible expenses		-	(7)	(538)
	(1,647)	(1,32,163)	(1,609)	(1,23,562)
Foreign Tax credit				
Deferred Tax asset not recognised	1,647	1,32,163	1,609	1,23,561
Tax charge	-	-	0	(0)

At 31 March 2019, the Company had accumulated tax losses amounting to EUR 45,525 (2018: EUR 34,449) 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.

9 Related party transactions

During the year under review,the company transacted with the below related entity.The nature, volume of transaction and the balance with the entity are as follows:

Name of related parties	Nature of Relationship	Nature of transactions	2019 Balance	2019 Balance	2018 Balance	2018 Balance
			EUR	INR	EUR	INR
Eureka Forbes Ltd	Shareholder	Amount payable	4,32,374	3,36,20,494	4,32,374	3,45,32,198

The above transaction has been made at arm's length, on normal commercial terms and in the normal course of business.

10 Financial instruments and associated risks

Overview

The company has exposure to the following risks from its use of Financial istruments:

- Market Risk
- Credit Risk
- Liquidity Risk
- Compliance Risk
- Capital Risk Management
- Political,economic and social Risk

Risk Management framework

The board of Directors has overall responsibilty for the establishment and oversight of the company's risk management framework.

(a) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company invests in shares denominated in Swiss Franc ("CHF"). Consequently, the Company is exposed to the risk that the exchange rate of the EUR relative to the CHF may change in a manner which has a material effect on the reported values of the Company's assets which are denominated in CHF.

10 Financial instruments and associated risks (continued)

Currency risk (continued)

Currency profile

	2019				2018			
	Financial assets		Financial liabilities		Financial assets		Financial liabilities	
	EUR	INR	EUR	INR	EUR	INR	EUR	INR
Swiss Franc ("CHF")	2,04,46,259	1,42,37,95,692	-		1,95,98,238	1,66,17,54,329		
United States ("USD")	-		4,125	3,20,751	-		3,680	2,93,909
Euro ("EUR")	1,81,926	1,41,46,184	4,32,374	3,36,20,494	1,92,738	1,53,93,309	4,32,374	3,45,32,198
	2,06,28,185	1,43,79,41,876	4,36,499	3,39,41,245	1,97,90,976	1,67,71,47,639	4,36,054	3,48,26,107

Prepayments amounting to Eur 2,925 (2018 : Eur 2,650) have not been included in the financial assets

Sensitivity analysis

The Company is exposed to the CHF and USD.

The following table details the Company's sensitivity to a 10% increase and decrease in the EUR against the relevant foreign currency. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates a decrease in profit where the EUR strengthens 10% against the relevant currency. For a 10% weakening of the EUR against the relevant currency, there would be an equal and opposite impact on the profit, and the balances below would be negative.

	Impact on profit			
	2019		2018	
	EUR	INR	EUR	INR
CHF	20,44,626	14,23,79,569	19,59,824	16,61,75,433
USD	(413)	(32,075)	(368)	(29,391)

Interest Rate risk

The majority of the Company's financial assets and liabilities are non-interest bearing and as a result the Company is mnot subject to significant amounts of risk due to fluctuationsin the prevailing levels of market interest rates.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as a result of changes in the levels of the equity indices and the value of individual stocks.

The Company invests in unlisted company whose securities may be considered to be illiquid. Such illiquidity may adversely affect the ability of the Company to acquire or dispose of such investment. The investment may be difficult to value and to sell or otherwise liquidate and the risk of investing in such company is much greater than the risk of investing in publicly traded securities. However on account of the inherent uncertainty of valuation the estimated values may differ from the values that would be used had a ready market for the investment existed.

(b) Credit risk

Credit risk arises when a failure by counterparty to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the end of the reporting period.

The Company's credit risk arises principally from financial assets at fair value through other comprehensive income and cash and cash equivalents. The Company's policy is to maintain its cash and bank balance with a reputable banking institution and to monitor the placement of cash and bank balances on an ongoing basis.

10 Financial instruments and associated risks (continued)

The maximum exposure to credit risk at the end of the reporting period was:

	2019	2019	2018	2018
	EUR	**INR**	**EUR**	**INR**
Counter parties				
Available-for-sale financial asset	-	-	1,95,98,238	1,66,17,54,329
Financial asset at fair value through other comprehensive income	2,04,46,259	1,42,37,95,692	-	-
Cash and cash equivalents	1,81,926	1,41,46,184	1,92,738	1,53,93,309
	2,06,28,185	1,43,79,41,876	1,97,90,976	1,67,71,47,639

Cash and cash equivalents
The bank balance has been assesse to have low credit risk as at 31 March 2019 as it is held with a reputable banking institution

(c) Liquidity risk

Liquidity risk arises when the maturity of assets and liabilities of a company do not match.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions.

Management monitors rolling forecasts of the Company's liquidity reserve on the basis of expected cash flows.

The maturity profile of the financial liability is summarised as follows:

		On demand	3 months to 1 year	Total
2019				
Other payable and accruals	EUR	4,32,374	4,125	4,36,499
	INR	3,36,20,494	3,20,751	3,39,41,245
2018				
Other payable and accruals	EUR	4,32,374	3,680	4,36,054
	INR	3,45,32,198	2,93,909	3,48,26,107

(d) Compliance risk
Compliance risk arises from a failure or inability to comply with the laws, regulations or codes applicable to the industry. Non-compliance can lead to fines, public reprimands, and enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(f) Political,economic and social Risk

Further economic and political developments in Switzerland could adversely affect the liquidity or value,or both,of securities in which the Company has invested.

(g) Fair values

The carrying amounts of available-for-sale financial asset, cash and cash equivalents and other payable and accruals approximate their fair values.

Accounting classifications and fair values- fair value hierarchy

The tables below analyse fair value measurements for financials assets and financial liabilities, by the levels in the fair value hierarchy based on the inputs to valuation techniques. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is reasonable approximation of fair value.

Financial assets and financial liabilities not carried t fair value but for which fair values are disclosed below:

		Level 1	Level 2	Level 3	Total
2019					
Cash and Cash Equivalents	EURO		1,81,926		1,81,926
	INR		1,41,46,184		1,41,46,184
Total asset	EURO	-	1,81,926	-	1,81,926
	INR	-	1,41,46,184	-	1,41,46,184
Payable to Related Party	EURO			4,32,374	4,32,374
	INR			3,36,20,494	3,36,20,494
Accruals	EURO			4,125	4,125
	INR			3,20,751	3,20,751
Total liabilities	EURO	-	-	4,36,499	4,36,499
	INR	-	-	3,39,41,246	3,39,41,246
2018					
Cash and Cash Equivalents	EURO	-	1,92,738		1,92,738
	INR	-	1,53,93,309		1,53,93,309
Total asset	EURO	-	1,92,738	-	1,92,738
	INR	-	1,53,93,309	-	1,53,93,309
Payable to Related Party	EURO	-	-	4,32,374	4,32,374
	INR	-	-	3,45,32,198	3,45,32,198
Accruals	EURO	-	-	3,680	3,680
	INR			2,93,909	2,93,909
Total liabilities	EURO	-	-	4,36,054	4,36,054
	INR	-	-	3,48,26,107	3,48,26,107

The Company recognises tranfers between levels of fair value hierarchy as of the reporting period during which the transfer has occurred. There have been no transfer between the levels in 2019 (2018: no transfer in either direction).

11 Events after reporting period

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 March 2019.

12 Contingent liabilities

At 31 March 2019, there was no contingent liability arising in the ordinary course of business.

13 Holding company

The directors consider Eureka Forbes Limited, a company incorporated in India as the Company's holding company.

EUREKA FORBES LIMITED

(a wholly owned subsidiary)

Financial Statements

For the Year ended March 31, 2019

EUREKA FORBES LIMITED

CIN : U27109WB1931PLC007010

DIRECTORS

Shapoor P Mistry	Chairman
Marzin R. Shroff	Managing Director & CEO
Anil Kamath	
D Sivanandhan	
Dr. (Mrs.) Indu Shahani	
Homi Katgara	
Jai Mavani	
Mahesh Chelaram Tahilyani	
Pallon Shapoor Mistry	
Shankar Krishnan	

Chief Financial Officer

R. S. Moorthy

Company Secretary & Head-Legal

Dattaram P Shinde

PRINCIPAL BANKERS

Axis Bank Ltd.
Axis Bank Ltd.
BNP Paribas
HDFC Bank Ltd.
ICICI Bank Ltd
Kotak Mahindra Bank Ltd.

SOLICITORS AND ADVOCATES

Desai & Diwanji

AUDITORS

Deloitte Haskins & Sells LLP

REGISTERED OFFICE

7, Chakraberia Road (South),
Kolkata – 700 025.

CORPORATE OFFICE

B1/B2, 701, Marathon Innova
Off Ganpatrao Kadam Marg
Lower Parel, (West), Mumbai – 400 013

Deloitte
Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

INDEPENDENT AUDITOR'S REPORT

To The Members of Eureka Forbes Limited

Report on the Audit of the Standalone Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone 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 (ICAI) 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the consolidated financial statements, 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.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

Regd. Office: Indiabulls Finance Centre, Tower 3, 27th - 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400 013, Maharashtra, India.
(LLP Identification No. AAB-8737)

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- 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 during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Responsibility for the Audit of the Standalone Financial Statements

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.

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

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- 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 financial 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 system 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 the 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report that:

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

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

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

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. [Refer Note – 31-I to the standalone financial statements].

      ii. The Company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts. [Refer Note – 19 to the standalone financial statements].

      iii. There were no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

N.V.Shah

Nilesh Shah
(Partner)
(Membership No. 49660)

Mumbai, MAY 21, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

N.Shah

Nilesh Shah
(Partner)
(Membership No. 49660)

Mumbai, MAY 21, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) The Company has a program of verification of Fixed Assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders, except the following:

Particulars of the land and building	Gross Block (as at the balance sheet date)	Net Block (as at the balance sheet date)	Remarks
Freehold Land and Building located at Dehradun, Telangana and Bangalore admeasuring 12150 sq.mtrs, 2403 sq.yds and 19002 sq.mtrs, respectively and Freehold Building located at Baddi admeasuring 2500 sq.mtrs	INR 3,026.11 lakhs	INR 2,199.86 lakhs	The title deeds are in the name of Aquamall Water Solutions Limited, erstwhile Company that was merged with the Company under Section 233 of the Companies Act, 2013.

In respect of immovable properties of land that have been taken on lease and disclosed as Fixed Assets in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement, except the following:

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Particulars	Gross Block (as at the balance sheet date)	Net Block (as at the balance sheet date)	Remarks
Leasehold Land located at Baddi, admeasuring 2500 sft. whose lease deeds have been pledged as security for loans taken based on the confirmations directly received by us from lenders	INR 38.88 lakhs	INR 38.84 lakhs	The lease deeds are in the name of Aquamall Water Solutions Limited, erstwhile Company that was merged with the Company under Section 233 of the Companies Act, 2013

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

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 of the Companies Act, 2013 in respect of grant of loans and providing guarantees and securities, as applicable. The Company has also complied with section 186 of the Companies Act 2013 in respect of making investments, as applicable. We have relied on the legal opinion obtained by the company and provided to us with respect to non-applicability of section 186 of the Companies Act 2013 in relation to loans made, guarantee given or security provided, as the Company is engaged in the business of infrastructure facilities.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under, are not applicable to the Company.

(vi) According to the information and explanations given to us, the maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

and Services tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable except the following :

Name of Statute	Nature of Dues	Amount (Rupees in lakhs)	Period to which the Amount Relates	Due Date	Date of subsequent payment
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	5.31	April 2017 to March 2018	Various	Not yet paid
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	11.21	April 2018 to September 2018	Various	Not yet paid

(c) Details of dues of Excise Duty, Income-tax and Sales Tax as on 31st March, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rupees in Lakhs)	Amount Unpaid (Rupees in Lakhs)
Central Excise Act, 1944	Excise Duty	Appellate Tribunal	A.Y. 2001-03	56.51	56.51
		Principal Commissioner of Central Excise	A.Y.2001 to 2006 and A.Y.2014 -2017	1,384.30	1,326.58
		CESTAT	A.Y. 2001-02 to A.Y. 2006-07	52.35	44.45
Income Tax Act, 1961	Income Tax	Tribunal	A.Y. 2012-13, A.Y. 2014-15	241.45	241.45
		CIT (A)	A.Y 2008-09	84.68	84.68
		CIT (A)	A.Y. 2015-16	501.06	501.06
Sales Tax Act	Sales Tax	Deputy Commissioner Of Appeals Commercial Taxes :	AY 2006-07, AY 2008-09, AY 2010-11	109.17	75.55
		Deputy Commissioner of Commercial Taxes	AY 2002-03, AY 2003-04, AY 2006-07 to AY 2013-14	416.61	262.04
		Joint Commissioner of Commercial Taxes	AY 2013-14, AY 2014-15, AY 2015-16	343.40	310.04

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Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rupees in Lakhs)	Amount Unpaid (Rupees in Lakhs)
		Assistant Commissioner of Sales Tax - Appeals	AY 2004-05, AY 2015-16	12.72	5.51
		Assistant Commissioner, DVAT, New Delhi	AY 2010-11, AY 2011-12, AY 2012-13	382.42	381.42
		Assistant Commissioner (Assessment) Special Circle-II	AY 1998-99 to AY 2004-05, AY 2007-08, AY 2012-13	2,051.19	1,498.00
		Assistant Commissioner of Commercial Taxes.	AY 2014-15, AY 2015-16, AY 2017-18	8.42	-
		Assessing Authority	AY 1994-95, AY 1996-97, AY 1998-99, AY 2000-01, AY 2003-04, AY 2004-05, AY 2005-06, AY 2017-18	4.27	3.68
		Joint Commissioner (Appeals)Trade Tax	AY 2003-04	6.48	4.21
		Excise & Taxation Officer	AY 2013-14, AY 2015-16	1.44	-
		Department of Trade & Taxes, Delhi	AY 2014-15	17.54	17.54
		Dy Commissioner of State Tax, Maharashtra	AY 2014-15	25.94	25.94
		Telangana VAT Appellate Tribunal	A.Y 2001-02 to A.Y 2004-05	1,503.43	804.79

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans or borrowings from financial institutions and government or has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

and according to the information and explanations given to us, we have not come across any fraud by the Company. During the year under audit, there were two instances of misappropriation of assets of the Company amounting to Rs. 85.84 lakhs, noticed by the management, which were perpetrated by its officers/employees by issuing fake credit notes to the customers, falsification of accounting and other records. An amount of Rs 73.29 lakhs has been charged off to the Statement of Profit and Loss. Services of concerned employees/officers have been terminated and legal proceedings have been initiated against these employees/officers to recover the amount due.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

DELOITTE HASKINS & SELLS LLP
CHARTERED ACCOUNTANTS

N.V.Shah

Nilesh Shah
(Partner)
(Membership No. 49660)

Mumbai, MAY 21, 2019

BALANCE SHEET AS AT MARCH 31, 2019

		Particulars	Notes	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	3		13,502.67		14,667.11
(b)		Other Intangible assets	4		176.82		260.38
(c)		Financial assets					
	(i)	Investments	5	29,747.38		37,124.12	
	(ii)	Trade receivables	7	1,151.32		1,745.62	
	(iii)	Loans	8	19,260.52		23,446.13	
	(iv)	Other financial assets	9	6,407.16	56,566.38	6,072.49	68,388.36
(d)		Tax assets					
	(i)	Income Tax Asset (Net)	11	3,140.72	3,140.72	3,349.75	3,349.75
(e)		Other non-current assets	12		4,260.63		2,013.92
		Total Non-current Assets			**77,647.22**		**88,679.52**
		Current Assets					
(a)		Inventories	13		22,517.63		26,005.07
(b)		Financial assets					
	(i)	Investments	6	-		17.47	
	(ii)	Trade receivables	7	26,778.04		24,104.11	
	(iii)	Cash and cash equivalents	14	2,537.62		8,973.57	
	(iv)	Bank balances other than (iii) above	14	87.80		118.23	
	(v)	Loans	8	374.69		384.88	
	(vi)	Other financial assets	9	237.74	30,015.89	282.12	33,880.38
(c)		Other current assets	12		7,124.70		9,948.19
		Total Current Assets			**59,658.22**		**69,833.64**
		Total Assets			**1,37,305.44**		**1,58,513.16**

BALANCE SHEET AS AT MARCH 31, 2019

		Particulars	Notes	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
		EQUITY AND LIABILITIES					
		Equity					
(a)		Equity share capital	**15**	377.80		372.80	
(b)		Other Equity	**16**	20,386.28		48,376.90	
					20,764.08		48,749.70
		Total Equity			**20,764.08**		**48,749.70**
		Liabilities					
		Non-current Liabilities					
(a)		Financial Liabilities					
	(i)	Borrowings	**17**	11,666.59		5,634.53	
	(ii)	Other financial liabilities	**19**	-	11,666.59	-	5,634.53
(b)		Provisions	**20**		296.08		283.95
(c)		Deferred tax liabilities (Net)	**10**		350.76		259.05
(d)		Other non-current liabilities	**21**		12,035.95		10,930.65
		Total Non-current Liabilities			**24,349.38**		**17,108.18**
		Current liabilities					
(a)		Financial liabilities					
	(i)	Borrowings	**22**	12,896.58		14,453.01	
	(ii)	Trade and other payables	**18**				
	(a)	Total outstanding dues of micro enterprises and small enterprises		723.23		1,162.09	
	(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		28,858.02		28,729.55	
	(iii)	Other financial liabilities	**19**	14,439.06	56,916.89	15,658.41	60,003.06
(b)		Provisions	**20**		1,364.41		1,237.73
(c)		Income tax liabilities (Net)	**11**		252.52		41.79
(d)		Other current liabilities	**21**		33,658.16		31,372.70
		Total Current Liabilities			**92,191.98**		**92,655.28**
		Total Liabilities			**1,16,541.36**		**1,09,763.46**
		Total Equity and Liabilities			**1,37,305.44**		**1,58,513.16**

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : May 21 , 2019

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : May 21 , 2019

Statement of Profit and Loss for the year ended March 31, 2019

		Notes	Year 2018-19 ₹ in Lakhs	Year 2017-18 ₹ in Lakhs
I	**Income**			
	Revenue from Operations	23	1,84,227.86	1,78,574.39
	Other income and other gains / (losses)- Net	24	2,400.43	3,426.81
	Total Income		**1,86,628.29**	**1,82,001.20**
II	**Expenses**			
	Cost of Materials Consumed	25	57,554.71	52,875.16
	Purchases of stock-in-trade	25	15,759.45	23,372.68
	Changes in inventories of finished goods,spares, stock-in-trade and work-in-progress	25	4,774.45	(1,045.49)
	Excise Duty on sale of goods			1.21
	Employee benefits expense	26	30,869.03	32,071.90
	Finance costs	27	1,903.87	2,676.07
	Depreciation and amortisation expense	28	2,034.35	2,401.99
	Other expenses	29	68,073.17	63,841.89
	Total expenses		**1,80,969.03**	**1,76,195.41**
III	**Profit before exceptional items and tax**		**5,659.26**	**5,805.79**
	Add/ (Less) : Exceptional items (Refer Note 31(IX))		(34,113.84)	(17,181.01)
IV	**Profit/ (Loss) before tax and after exceptional items**		**(28,454.58)**	**(11,375.22)**
	Less: Tax expense			
(1)	Current tax	30	1,781.71	2,101.96
(2)	Deferred tax (credit) / charge	30	128.31	(7.17)
			1,910.02	**2,094.79**
V	**Profit/(Loss) for the Year**		**(30,364.60)**	**(13,470.01)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans Gain/(Loss)		(19.19)	(5.67)
	Tax effect		6.71	1.96
			(12.48)	(3.71)
(b)	Equity instruments through other comprehensive income		(89.16)	99.92
	Tax effect		36.62	(54.31)
			(52.54)	45.61
			(65.02)	**41.90**
B	Items that may be reclassified to profit or loss		-	-
VII	**Total other comprehensive income (A + B)**		**(65.02)**	**41.90**
	Total comprehensive income/ (Loss) for the Year (V+VII)		**(30,429.62)**	**(13,428.11)**
	Earnings per equity share:			
	(1) Basic (in ₹.)	33	(812.26)	(361.32)
	(2) Diluted (in ₹.)	33	(812.26)	(361.32)

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Nilesh Shah

Partner

Mumbai , Dated : May 21 , 2019

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

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D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : May 21 , 2019

Eureka Forbes Limited

Standalone Financial Statements

Cash Flow Statement for the year ended March 31, 2019

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Cash flows from operating activities				
Profit/ (Loss) before tax and after exceptional items		(28,454.58)		(11,375.22)
Adjustments for:				
Finance costs recognised in profit and loss	1,903.87		2,676.07	
Investment income recognised in profit and loss	(0.04)		(50.49)	
Gain/ (Loss) on Investment recognised in profit and loss	(294.07)		(185.02)	
Interest Income	(934.84)		(955.50)	
Gain/ (Loss) on disposal of property, plant and equipment	60.70		(326.17)	
Remeasurements of the defined benefit plans	(19.19)		(5.67)	
Provision/write-off of doubtful debts, advances and other current assets	522.93		1,253.28	
Depreciation and amortisation of non-current assets	2,034.35		2,401.99	
Fair value of Investment at FVTPL	96.66		(21.24)	
Exceptional Items - Provision for Impairment of Investment	34,113.84		17,181.01	
Net foreign exchange (gain)/loss - unrealised	258.04		(671.99)	
Fair value Commission on Financial Guarantee	(177.98)	37,564.27	(178.54)	21,117.73
Operating Profit before Working capital Changes		**9,109.69**		**9,742.51**
Movements in working capital:				
(Increase)/decrease in trade and other receivables	(2,545.98)		(808.30)	
(Increase)/decrease in inventories	3,487.43		952.09	
(Increase)/decrease in loans and advances	10.18		14.52	
(Increase)/decrease in Other Assets	757.70		(2,882.97)	
(Increase)/decrease in Other Financial Assets	60.22		2,037.67	
Increase/(decrease) in trade and other payables	(312.73)		4,674.41	
Increase/(decrease) in provisions	138.83		(85.84)	
Increase/(decrease) in other liabilities	4,126.79	5,722.44	2,941.12	6,842.70
Cash generated from operations		14,832.13		16,585.21
Less : Income taxes paid (net)		(1,355.24)		(1,701.39)
Net cash generated by operating activities		**13,476.89**		**14,883.82**
Cash flows from investing activities				
Payments for investment in Subsidiary	(26,969.31)		(927.27)	
Payments for Other investments	(28,050.00)		(9,000.00)	
Payments for investment in unquoted investment	-		(40.00)	
Proceeds on sale of financial assets	-		367.00	
Proceeds on sale of Other Investments	28,364.39		9,185.02	
Interest received	1,721.06		69.62	
Dividends received from joint venture	-		50.00	
Dividends received from Others	0.04		0.49	
Payments for property, plant and equipment	(1,600.66)		(1,845.25)	
Proceeds from disposal of property, plant and equipment	572.68		689.80	
Net cash inflow on disposal of subsidiary	221.52		-	
Bank Balance not considered as Cash & Cash equivalents	(1,194.07)		70.31	
ICD given	-		(4,134.32)	
ICD received back	3,891.05		240.00	
Net cash used from investing activities		**(23,043.30)**		**(5,274.60)**
Cash flows from financing activities				
Proceeds from other short term borrowings	10,500.00		21,000.00	
Proceeds from Issuing of Share Capital	2,505.00		-	
Repayment of other short term borrowings	(5,500.00)		(22,500.00)	
Proceeds from borrowings	9,801.71		-	
Repayment of borrowings	(5,692.76)		(4,354.78)	
Net increase / (decrease) in working capital borrowings	(6,556.43)		306.17	
Interest paid	(1,927.06)		(2,686.70)	
Net cash used in financing activities		**3,130.46**		**(8,235.31)**
Net Increase / (Decrease) in cash and cash equivalents		**(6,435.95)**		**1,373.91**
Cash and cash equivalents at the beginning of the year		8,973.57		7,599.66
Cash and cash equivalents at the end of the year {refer note 14}		2,537.62		8,973.57
Net Increase / (Decrease) in cash and cash equivalents as disclosed above		**(6,435.95)**		**1,373.91**

Cash Flow Statement for the year ended March 31, 2019

Changes in carrying amount of financial liabilities included under financing activities under cash flow statement

Particulars	Borrowing	
	Year ended March 31, 2019	Year ended March 31, 2018
Opening Balance	25,701.60	29,384.94
Changes due to cash flow	2,552.52	(5,548.61)
Non cash Change (Gain)/Loss	(70.06)	1,865.27
Closing balance	28,184.06	25,701.60

The accompanying notes are an integral part of the financial statements

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : May 21 , 2019

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : May 21 , 2019

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

A. Equity share capital

	₹ in Lakhs
Balance at April 1, 2017	**372.80**
Changes in equity share capital during the year	-
Balance at March 31, 2018	**372.80**
Changes in equity share capital during the year	5.00
Balance at March 31, 2019	**377.80**

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

B. Other Equity

Particulars	Reserves and surplus							Fair value Reserves		Total Other Equity
	Capital reserve	Capital reserve on Merger	General reserve	Capital Redemption Reserve	Retained earnings	Securities Premium	Total	Equity Instrument through Other Comprehensive Income	Total	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance at April 1, 2017	**87.64**	**205.00**	**18,500.00**	**122.20**	**42,768.50**	-	**61,683.34**	**151.67**	**151.67**	**61,835.01**
Profit/ (Loss) for the year	-	-	-	-	(13,470.01)	-	(13,470.01)	-	-	(13,470.01)
Other comprehensive income/(loss) for the year, net of income tax	-	-	-	-	(3.71)	-	(3.71)	45.61	45.61	41.90
Less: Utilised on sale of related capital asset #	(30.00)	-	-	-	-	-	(30.00)	-	-	(30.00)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument of FVTOCI	-	-	-	-	55.06	-	55.06	(55.06)	(55.06)	-
Total comprehensive income for the year	**(30.00)**	**-**	**-**	**-**	**(13,418.66)**	-	**(13,448.66)**	**(9.45)**	**(9.45)**	**(13,458.11)**
Balance at March 31, 2018	**57.64**	**205.00**	**18,500.00**	**122.20**	**29,349.84**	-	**48,234.68**	**142.22**	**142.22**	**48,376.90**
Add: Additions During The Year	-	-	-	-	-	2,500.00	2,500.00	-	-	2,500.00
Change in accounting policy{Refer Note 31 XIII}	-	-	-	-	(61.00)	-	(61.00)	-	-	(61.00)
Profit/ (Loss) for the year	-	-	-	-	(30,364.60)	-	(30,364.60)	-	-	(30,364.60)
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	(12.48)	-	(12.48)	(52.54)	(52.54)	(65.02)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument of FVTOCI	-	-	-	-	5.74	-	5.74	(5.74)	(5.74)	-
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**(30,432.34)**	**2,500.00**	**(27,932.34)**	**(58.28)**	**(58.28)**	**(27,990.62)**
Balance at March 31, 2019	57.64	205.00	18,500.00	122.20	(1,082.50)	2,500.00	20,302.34	83.94	83.94	20,386.28

During the previous year Company had sold the assets of its Bhimtal plant with a carrying amount of ₹ 204.73 Lakhs . As a part of disposable proceeds the Company has utilised ₹ 30.00 Lakhs from Capital Reserve.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : May 21 , 2019

For and behalf of the Board of Directors of Eureka Forbes Limited

Anil Kamath
Director
(DIN-00015706)

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : May 21 , 2019

Background

Eureka Forbes Limited is a limited company incorporated and domiciled in India with its registered office situated at 7, Chakraberia Road (South), Kolkata – 700 025. The Company is subsidiary of Forbes & Co Limited and ultimate holding company is Shapoorji Pallonji and Company Private Ltd.

The Company is engaged in 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.

Note 1: Basis of preparation of Financial statements

This note provides a list of significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

(a) Compliance with Indian Accounting Standards (Ind AS)

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(b) Historical Cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value.

(c) Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

(d) Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes :

Note 2(g) and 3 – Useful life of Property, plant and equipment
Note 2(h) and 4 – Useful life of Intangible assets
Note 26– Defined benefit obligation
Note 20 and 31(I)(a)– Provisions and Contingent liabilities
Note 5– Estimated Fair Values of Unlisted Securities
Note 20– Estimation for provision of Warranty Claims
Note 7– Impairment of Trade Receivables
Note 11 and 30– Income taxes
Note 10 and 30– Recognition of Deferred taxes
Note 2(m)– Refund Liabilities

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.
Note 31(1) (a) and 31 (XII) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impairment

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount 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 is determined based on higher of value-in-use and fair value less cost to sell.

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.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.
Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the assets or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in the following note:
Note 34 – Financial instruments.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency transactions

Transactions in currencies other than company's functional currency i.e. Indian Rupee are recognised at the exchange rate prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are not translated. Exchange differences are recognised in profit or loss not retranslated, except exchange differences arising from the translation of the equity investments which are recognised at fair value through OCI (FVOCI) are recognised in other comprehensive income.

(b) Financial Instruments

Financial assets and financial liabilities are recognized 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 profit or loss.

(i) 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.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
• 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.

Investment in equity instruments of subsidiary, associates and joint ventures are measured at cost less impairment. All other financial assets are subsequently measured at fair value.

<u>Effective interest method</u>

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 points paid or received 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 profit or loss and is included in the “Other income” line item.

<u>Financial assets at fair value through profit or loss (FVTPL)</u>

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item.

Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company 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.

(ii) 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 the Company 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.

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. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are measured at their fair values.

(c) Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d) **Impairment**

(i) **Impairment of financial instruments**

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses :

-bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

-Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

(ii) **Impairment of non-financial assets**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(e) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flow , cash and cash equivalents including 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.

(f) **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The comparison of cost and net realisable value is made on an item-by-item basis.

The Net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw Materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

(g) **Property plant and equipment**

Freehold land is carried at historical cost. All other items of property ,plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation methods, estimated useful lives and residual value

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

The estimated useful lives of property , plant and equipment for the current and comparative periods are as follows -

Type of Assets	Period
Plant & Machinery for cleaning services	5 years
Plant & Machinery on rent	6 years
Motor Cycles	3 years
Motor Cars	5 years
Office Equipments	3 - 5 years

(h) **Intangible assets**

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Type of Assets	Period
Technical Knowhow	5 years
Computer Software	5 years
Brand Name / Trademarks	5 Years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(i) **Employee Benefits**

(i) **Short Term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) **Defined Contribution Plans**

Defined contribution plans are employee state insurance scheme and Government administered pension / provident fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

(iii) **Defined Benefit Plans**

Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate trust administered by the Company towards meeting the Gratuity obligation. The Company'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.

Other long term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

(j) **Research and Development**

(a) Capital Expenditures are shown separately under respective heads of fixed assets.
(b) Revenue expenses are included under the respective heads of expenses.

(k) **Lease Accounting**

Operating Leases

Leases, where the lessor retains, substantially all the risk and rewards incidental to ownership of the leased assets, are classified as operating lease. Operating lease expense is recognised in the statement of profit and loss on a straight line basis over the lease term. In respect of assets given on lease, lease rentals are accounted on accrual basis in accordance with the respective lease terms.

(l) **Government Grant**

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

(m) **Revenue Recognition**

The Company derives Revenue from sale of products primarilywater purifiers and vacuum cleaners and providing related maintenance services. Revenue from sale of goods is recognised when control of the products being sold has transferred to the customer upon delivery. Revenue is measured net of taxes, returns, discounts, incentives and rebates earned by customers on the sales. Revenue from services are recognised over the period of time.

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 company, 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 company 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 company using a best estimate based on accumulated experience.

Company’s obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

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

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(n) **Taxation**

Income tax comprises current and deferred tax. It is recognised in profit & loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income, in which the current and the deferred tax is also recognised directly in equity or in other comprehensive income.

Current Tax

Current tax in measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax asset (including in respect of carried forward tax losses and tax credits) are recognised to the extent it is probable that the taxable profit will be available against which deductible temporary differences can be utilised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

(o) **Earnings Per Share**
The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

(p) **Provisions, Contingent Liabilities and Contingent Assets**
A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as 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 risk and uncertainities 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 (where the effect of the time value of money is material).

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.
Contingent assets are disclosed where inflow of economic benefit is probable.

(q) **Investment in Subsidiary, Joint Ventures and Associate Companies**
The Company has elected to recognize its investments in subsidiary, joint Ventures and associate companies at cost in accordance with the option available in IND AS 27, ' Separate Financial Statement'. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 2 (d) above.

(r) **Borrowing Cost**
Borrowing Cost includes interest, amortization 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 cost, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

(s) **Derivatives**
The Company enters into certain derivative contracts to hedge risks which are not designated as hedge. Such contracts are accounted for at fair value through the Statement of Profit and Loss

(t) **Assets Classified as held for sale**
Noncurrent assets (or 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 and a sale is considered highly probable. These assets are measured at lower of their carrying amount and fair value less costs to sell. Non current assets (or disposal group) are presented separately from the other assets in the balance sheet. The liabilities of disposal group, if any, are presented separately from the other liabilities in the balance sheet.

(u) **Business Combination**
Business Combination of the entities under common control are accounted using the "pooling of Interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies.

(v) **Segment Reporting**
The Group is primarily engaged in the business of Health, Hygiene & Safety products and its services. As the basic nature of these activities are governed by the same set of risk and returns, there is no primary segment identified as per Indian Accounting Standards (Ind AS) 108 "Operating Segments" notified under section 133 of the Companies Act 2013. The Group has identified geographical segment as its secondary segment.

Note 2(A): **Standards issued but not yet effective**

(a) **Ind AS 116 – Leases**
On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Lease. Ind AS 116 will replace the existing lease standard, Ind AS 17 Leases and related interpretation. The Standard sets out the principle fror recognisition, measurement, presentations and disclosures of lease for both parties to contract i.e the lessee and the lessor. The Company is currently assessing the impact of application of these amendments on Company’s financial statements.

(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

(c) Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

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

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

3. Property, plant and equipment

Gross Block #	Land - Freehold	Land - Leasehold	Buildings **	Plant and Machinery $	Assets-on lease***	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at April 1, 2017	315.21	48.00	8,645.62	5,318.74	2,414.02	1,064.91	154.40	862.92	853.13	5,396.81	3,952.68	**29,026.44**
Additions	-	-	-	314.34	271.48	35.12	65.15	99.32	54.60	919.78	159.78	**1,919.57**
Deletions	-	(1.87)	-	(3.76)	(1,317.88)	(22.41)	(0.15)	(21.70)	(33.39)	(733.89)	(88.90)	**(2,223.95)**
As at March 31, 2018	315.21	46.13	8,645.62	5,629.32	1,367.62	1,077.62	219.40	940.54	874.34	5,582.70	4,023.56	**28,722.06**
Additions	-	-	10.94	243.89	6.79	27.25	2.98	40.18	24.96	870.35	109.77	**1,337.11**
Deletions	-	-	(51.65)	(35.85)	(1,087.84)	(54.42)	(14.08)	(50.49)	(66.58)	(869.95)	(83.38)	**(2,314.24)**
As at March 31, 2019	**315.21**	**46.13**	**8,604.91**	**5,837.36**	**286.57**	**1,050.45**	**208.30**	**930.23**	**832.72**	**5,583.10**	**4,049.95**	**27,744.93**

Depreciation	Land - Freehold	Land - Leasehold	Buildings	Plant and Machinery	Assets-on lease	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at April 1, 2017	-	5.23	1,720.65	2,079.71	1,792.60	709.43	80.07	428.41	580.31	3,244.23	3,283.50	**13,924.14**
Charge for the year	-	0.50	201.98	310.27	320.97	80.95	15.15	212.21	44.62	753.44	225.76	**2,165.85**
Deletions	-	-	-	(3.61)	(1,317.54)	(11.82)	(0.15)	(18.83)	(25.21)	(573.31)	(84.57)	**(2,035.04)**
As at March 31, 2018	-	5.73	1,922.63	2,386.37	796.03	778.56	95.07	621.79	599.72	3,424.36	3,424.69	**14,054.95**
Charge for the year	-	0.12	194.40	338.56	49.90	56.60	19.56	188.76	43.44	756.26	220.59	**1,868.19**
Deletions	-	-	(12.04)	(24.42)	(732.06)	(42.45)	(8.21)	(46.49)	(55.38)	(684.26)	(75.57)	**(1,680.88)**
As at March 31, 2019	**-**	**5.85**	**2,104.99**	**2,700.51**	**113.87**	**792.71**	**106.42**	**764.06**	**587.78**	**3,496.36**	**3,569.71**	**14,242.26**

Net Block												
As at March 31, 2018	**315.21**	**40.40**	**6,722.99**	**3,242.95**	**571.59**	**299.06**	**124.33**	**318.75**	**274.62**	**2,158.34**	**598.87**	**14,667.11**
As at March 31, 2019	**315.21**	**40.28**	**6,499.92**	**3,136.85**	**172.70**	**257.74**	**101.88**	**166.17**	**244.94**	**2,086.74**	**480.24**	**13,502.67**

** Includes a property for which co-op society is yet to be formed and also includes building given on lease
*** Assets given on Lease has a useful life of 6 years and depreciated accordingly.
$ Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.
# Refer note 36 for assets pledged as security against borrowing

Notes to the financial statements for the year ended March 31, 2019 - continued

4 Intangible Assets

Gross Block	Computer Software ₹ in Lakhs	Technical Knowhow ₹ in Lakhs	Brand Name / Trademarks # ₹ in Lakhs	Total ₹ in Lakhs
As at April 1, 2017	1,228.49	60.00	3,195.17	4,483.66
Purchase	-	-	-	-
As at March 31, 2018	1,228.49	60.00	3,195.17	4,483.66
Purchase	82.60	-	-	82.60
As at March 31, 2019	1,311.09	60.00	3,195.17	4,566.26
Amortisation				
As at April 1, 2017	855.91	10.16	3,121.08	3,987.15
Charge for the year	152.07	9.97	74.09	236.13
As at March 31, 2018	1,007.98	20.13	3,195.17	4,223.28
Charge for the year	158.19	7.97	-	166.16
As at March 31, 2019	1,166.17	28.10	3,195.17	4,389.44
Net Block				
As at March 31, 2018	**220.51**	**39.87**	**-**	**260.38**
As at March 31, 2019	**144.92**	**31.90**	**-**	**176.82**

Refer Note 36 for assets pledged as securities

Notes to the financial statements for the year ended March 31, 2019 - continued

Financial assets

5. Non Current Investments

Investments in Subsidiaries at Cost

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
10,00,000(previous year 10,00,000) equity shares of ₹ 10/- fully paid up in Forbes Facility Services Private Limited.	100.00	100.00
28,27,263 (previous year 28,27,263) equity shares of ₹ 10/- fully paid up in Forbes Enviro Solutions Limited	318.86	318.86
15,001 (previous year 15,001) ordinary shares of Euro 1/- fully paid up in EFL Mauritius Limited	9.46	9.46
3,57,765 (previous year 52,615) equity shares of AED 1000/- fully paid up in Euro Forbes Limited. (Includes 3,16,150 shares issued at discount)	34,732.26	7,961.13
50,000(previous year 50,000) equity shares of ₹ 10/- fully paid up in Euro Forbes Financial Services Limited	5.00	5.00
58,55,734 (previous year Nil) equity shares of ₹ 10/- each fully paid up in Aquaignis Technologies Private Limited (Refer Note:-1 below)	490.97	-
Nil (previous year 30,00,000) Equity Shares of ₹ 10/- each fully paid up in Aquadiagnostic Water Research & Technology Center Limited)	-	300.00
33,500 (previous year 33,500) equity shares of CHF 1000/- each fully paid up shares in Forbes Lux International AG	22,899.48	22,899.48
Investments in Preference Shares		
2,87,05,230 (previous year 2,87,05,230) preference shares of Euro 1/- fully paid up in EFL Mauritius Limited	21,224.81	21,224.81
TOTAL UNQUOTED INVESTMENTS	79,780.84	52,818.74
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	51,294.85	17,181.01
Investments in Subsidiaries at Cost	**28,485.99**	**35,637.73**

Investments in joint ventures at cost

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
500,000(previous year 500,000) equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited	50.00	50.00
26,25,000(previous year 26,25,000) equity shares of ₹ 10/- fully paid up in Forbes Concept Hospitality Services Private Limited	262.50	262.50
35,00,000(previous year 35,00,000) equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited	350.00	350.00
Nil(previous year 5,000) equity shares of ₹ 10/- fully paid up in Forbes G4S Solution Private Limited (Refer Note 2 below)	-	0.50
Nil (previous year 29,27,867) equity shares of ₹ 10/- each fully paid up in Aquaignis Technologies Private Limited (Refer Note 1 below)	-	292.79
TOTAL UNQUOTED INVESTMENTS	662.50	955.79
Less : Aggregate amount of impairment in value of investments in joint ventures	262.50	263.00
Investments in joint ventures at cost	**400.00**	**692.79**

Notes to the financial statements for the year ended March 31, 2019 - continued

Financial assets

Other investments

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Quoted Investments (all fully paid)		
Investments in Equity Instruments - Other Company at FVOCI		
NIL (previous year 8,913)equity shares of ₹ 10/- fully paid up in Reliance Power Limited	-	3.22
	-	3.22
Unquoted Investments (all fully paid)		
Investments in Debenture - Other Company at FVTPL		
Nil (previous year 40,000) Compulsorily Convertible Debentures of ₹ 100/- fully paid up in Idea Bubble Consulting Services Private Limited	-	57.81
Investments in Equity Instruments- Other Company at FVTPL		
5,000(previous year Nil) equity shares of ₹ 10/- fully paid up in Forbes G4S Solution Private Limited (Refer Note 2 below)	0.50	-
Investments in Equity Instruments - Other Company at FVOCI		
17,822 (previous year 14,650) equity shares of ₹ 1/- fully paid up in Idea Bubble Consulting Services Private Limited	218.50	267.66
5,000(previous year Nil) equity shares of ₹ 10/- fully paid up in Forbes G4S Solution Private Limited. (Refer Note:-2 below)	-	-
7,143 (previous year 7,143) equity shares of ₹ 10/- fully paid up in Water Quality Association. (Refer Note:-3 below)	0.71	0.71
TOTAL Investments in Equity Instruments and Debentures	219.71	326.18
Less : Aggregate amount of impairment in value of investments	0.50	-
Unquoted Investment at cost	219.21	326.18
Other investments	219.21	329.40
Equity Component in Fair value of Financial Guarantees		
Euro Forbes Limited	415.78	328.09
Forbes Lux International AG	80.63	56.53
Lux International AG (step down subsidiary)	145.77	79.58
	642.18	464.20
Total Non Current Investment	29,747.38	37,124.12
Aggregate amount of quoted investments and market value thereof	-	3.22
Aggregate amount of unquoted investments	29,747.38	37,120.90
	29,747.38	37,124.12

Note 1:- Aquaignis Technologies Private Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 13th June 2018
Note 2:- Effective holding in Forbes G4S Solution Private Limited has been reduced from 50% to 10.87% during the year w.e.f 18th May 2018
Note 3:- The Company has invested in 7143 shares of face value ₹ 10 /- each in a non profit making organisation hence the fair value has been considered same as the carrying value

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Trade receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	1,151.32	1,745.62	25,270.61	21,319.73
Unsecured , Debts due from related parties (refer note 31 VI)	-	-	1,507.43	2,784.38
Unsecured, which have significant increase in credit risk	-	-	-	-
Unsecured, credit impaired	1,015.20	871.98	-	-
Unsecured, considered doubtful from related parties	-	-	-	49.02
Less: Allowance for doubtful debts	1,015.20	871.98	-	49.02
Total	**1,151.32**	**1,745.62**	**26,778.04**	**24,104.11**

Trade receivables

Transactions with firms/Private Companies in which a Directors are interested

Trade Receivable include ₹.170.16 Lakhs (Previous Year ₹. 1,093.09 Lakhs) due from a Private Company (current year Shapoorji Pallonji and Company Pvt Ltd. and Samalpatti Power Co. Pvt Limited) (Previous year from Forbes Facility Services Pvt Limited,Shapoorji Pallonji and Company Pvt Ltd. and Samalpatti Power Co. Pvt Limited), in which a Director of the Company is a Director.

The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 35 (a)

Refer note 36 for receivables pledged as security against borrowing

8. Loans

Particulars	Non Current As at March 31, 2019 ₹ in Lakhs	Non Current As at March 31, 2018 ₹ in Lakhs	Current As at March 31, 2019 ₹ in Lakhs	Current As at March 31, 2018 ₹ in Lakhs
Loans to related parties (Refer note 31 VI)				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	19,260.52	23,446.13	350.00	350.00
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-	-
	19,260.52	23,446.13	350.00	350.00
Loans to Employees				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	-	-	24.69	34.88
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-	-
	-	-	24.69	34.88
	19,260.52	**23,446.13**	**374.69**	**384.88**

9. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Bank deposits with more than 12 months maturity	24.24	10.43	-	-
Deposit with Banks held as Margin Money	1,377.37	166.68	-	-
Security deposits - unsecured considered good	1,118.77	1,206.54	220.06	280.28
Interest Accrued -				
on Inter Corporate Deposits to related parties	3,886.78	4,688.84	-	-
on fixed deposits with Banks	-	-	17.68	1.84
	6,407.16	6,072.49	237.74	282.12

10. Deferred tax balances

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

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Deferred tax assets	747.37	741.04
Deferred tax liabilities	(1,098.13)	(1,000.09)
Net	**(350.76)**	**(259.05)**

11. Income tax assets and liabilities

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Income tax assets (Net)				
Advance income-tax (Net of provision for taxation)	3,140.72	3,349.75	-	-
Total	**3,140.72**	**3,349.75**	**-**	**-**
Income tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	252.52	41.79
	-	-	**252.52**	**41.79**

Notes to the financial statements for the year ended March 31, 2019 - continued

12. Other Assets

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Unsecured considered good, unless stated otherwise				
Capital Advances	280.72	99.82	-	-
Advances to related parties (refer note 31 VI)	272.80	272.80	1.51	1.89
Prepaid expenses	39.88	47.61	971.68	836.65
Right to Recover Returned Goods (Refer Note: 1 below)	-	-	85.05	-
Balance with statutory/ government authorities	1,631.89	1,593.69	4,002.21	4,826.96
Advances recoverable in cash or kind	2,035.34	-	2,064.25	4,282.69
Advances recoverable in cash or kind - Considered Doubtful	-	-	117.63	117.63
	2,035.34	-	2,181.88	4,400.32
Less: Provision for doubtful advances	-	-	117.63	117.63
	2,035.34	-	2,064.25	4,282.69
Total	**4,260.63**	**2,013.92**	**7,124.70**	**9,948.19**

Note 1:- A return right gives the company a contractual right to recover the goods from a customer (return assets) if the customer exercises his right to return the goods and the right to recover returned goods is accounted for the products that are expected to be returned

13. Inventories

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Inventories (lower of cost and net realisable value)		
Raw Materials ,Components and Packing Material { Includes in transit ₹.1,262.56 Lakhs (Previous Year ₹ 308.06Lakhs)}	3,934.32	2,647.30
Finished Goods {includes in transit ₹.194.04 Lakhs (Previous year: ₹ 271.54 Lakhs)}	5,954.26	5,858.15
Stock in Trade {includes in transit ₹.1,216.36 Lakhs (Previous year: ₹.1,160.45 Lakhs)}	4,478.94	8,389.28
Spares & Accessories {includes in transit ₹ 543.51 Lakhs - (Previous year: ₹ 659.26 Lakhs)}	8,150.11	9,110.34
	22,517.63	26,005.07

* Refer note 36 for inventories pledged as security against borrowing

The cost of inventories recognised as an expense includes ₹.79.42 lakhs(Previous year: ₹.1.27 Lakhs) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹. NIL (Previous year: ₹.6.39 Lakhs) in respect of the reversal of such write-downs.

14. Cash and cash equivalents and other bank balances

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Balances with Banks in current accounts	1,693.02	8,064.96
Cheques, drafts on hand	633.85	785.02
Cash on hand	210.75	123.59
Total Cash & cash equivalents	**2,537.62**	**8,973.57**
Bank Balances other than cash & cash equivalents		
Deposits with original maturity of more than 12 months *	13.23	53.74
Deposits with original maturity of more than 3 months but less than 12 months *	74.57	64.49
Total Bank Balances other than cash & cash equivalents	**87.80**	**118.23**
Cash and cash equivalents as per statement of cash flows	2,537.62	8,973.57

* Deposits lodged as security with Government authorities

15. Equity Share Capital

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Equity share capital	377.80	372.80
Total	377.80	372.80

Authorised Share capital :

Particulars	Number of shares	Share capital ₹ in Lakhs
As at April 1, 2017	1,50,00,000	1,500.00
Increase during the year	-	-
As at April 1, 2018	1,50,00,000	1,500.00
Increase during the year	55,00,000	550.00
Balance at March 31, 2019	**2,05,00,000**	**2,050.00**

Issued and subscribed capital comprises:

37,78,000 fully paid equity shares of ₹.10 each (as at March 31, 2018: 37,28,000)	377.80	372.80
	377.80	372.80

Movement in equity share capital :

Particulars	Number of shares	Share capital ₹ in Lakhs
Balance at April 1, 2017	37,28,000	372.80
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	37,28,000	372.80
Add: Rights Issue (Refer Note 2 below)	50,000	5.00
Less: Bought back during the year	-	-
Balance at March 31, 2019	**37,78,000**	**377.80**

1. Fully paid equity shares have a par value of ₹.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

2. Rights Issue:

On 15th January 2019, the company invited its shareholders to subscribe to a right issue of 50,000 Equity Shares at a issue price of ₹.5,010/- per share. The issue was fully subscribed.

3. Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year- held by Forbes & Company Limited	37,28,000	37,28,000
Add: Issued during the year to Forbes & Company Limited	50,000	-
Total as at the end of the year	**37,78,000**	**37,28,000**

4. **Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid equity shares				
Forbes & Company Limited	37,78,000	100%	37,28,000	100%
Total	37,78,000	100%	37,28,000	100%

16. Other equity

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
1) General reserve		
Balance at beginning of the year	18,500.00	18,500.00
Transfer from Profit	-	-
Balance at end of the year	**18,500.00**	**18,500.00**
2) Retained earnings		
Balance at beginning of year	29,349.84	42,768.50
Change in accounting policy {Refer Note 31 XIII }	(61.00)	-
Add/ (less): Profit/ (Loss) for the year	(30,364.60)	(13,470.01)
Other comprehensive income/(loss) arising from re-measurement of defined benefit obligation, net of tax	(12.48)	(3.71)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument of FVTOCI	5.74	55.06
Balance at end of the year	**(1,082.50)**	**29,349.84**
3) Fair Value Reserves- Equity Instrument at FVTOCI		
Balance at beginning of the year	142.22	151.67
Add/Less: Net fair value gain/(loss) in Equity instruments through other comprehensive income (Net of Tax)	(52.54)	45.61
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument of FVTOCI	(5.74)	(55.06)
Balance at end of the year	**83.94**	**142.22**
4) Capital redemption reserve		
Balance at beginning of the year	122.20	122.20
Balance at end of the year	**122.20**	**122.20**
5) Capital Reserve on account of Merger		
Balance at beginning of the year	205.00	205.00
Balance at end of the year	**205.00**	**205.00**
6) Capital Reserve		
Balance at beginning of the year	57.64	87.64
Less: Utilised on sale of related capital asset #	-	(30.00)
Balance at end of the year	**57.64**	**57.64**
7) Security Premium		
Balance at beginning of the year	-	-
Add: Addition during the year	2,500.00	-
Balance at end of the year	**2,500.00**	**-**
Total	**20,386.28**	**48,376.90**

During the previous year Company had sold the assets of its Bhimtal plant and utilised related capital reserve amounting to ₹.30.00 Lakhs.

Description of nature and purpose of reserves

1) General Reserve

The company 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 company .

2) Retained Earnings

This reserve represents the cumulative profits of the company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

3) 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 off.

4) Capital Redemption Reserve

As per the provisions of Companies Act, 2013 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 Company and for redemption of Preference share capital.

5) Capital Reserve On account of merger

Capital Reserve on account of merger represents the difference between the Share Capital of transferor company and the recorded investment of transferee company as on appointed date and shown separately in the statement of changes in Equity

6) 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.

7) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act , 2013

Financial Liabilities

17. Borrowings

Particulars	Non-current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Secured – at amortised cost				
Term loans from				
Banks - Foreign currency denominated loans *	1,864.88	5,634.53	3,620.89	5,614.06
Banks - Rupee Term loan	9,801.71	-	-	-
Amount disclosed under the head "Other Financial Liabilities " (note 19)	-	-	(3,620.89)	(5,614.06)
Total Non-current borrowings	**11,666.59**	**5,634.53**	**-**	**-**

Summary of borrowing arrangements

(i) Foreign currency denominated loan - External Commercial Borrowing (ECB) borrowed from The Hongkong and Shanghai Banking Corporation and Societe Generale Bank, Amounting to Euro 290.00 lakhs (outstanding as on 31.03.2019 Euro 24.27 Lakhs) is repayable in 11 Equal Semi Annual instalments of Euro 24.16 Lakhs and last instalment of Euro 24.27 Lakhs starting from 12th February 2014 carrying interest rate of Euribor + Margin 2.5% p.a. The loan is secured by first mortgage / pari-passu charge on the immovable properties situated at Andhra Pradesh, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Tamil Naidu, Uttar Pradesh, West Bengal and secured against pari passu charge over all fixed assets(excluding movable assets for employee benefits). Negative lien on all other assets except suitable carve outs for working capital facilities and pledge over brands owned by the company.

(ii) Foreign Currency External Commercial Borrowings (ECB) from ICICI Bank UK Plc amounting to EURO 80.00 Lakhs (Outstanding as on 31.03.2019 Euro 46.40 Lakhs) carries interest rate of Euribor + Margin (2.0%) and secured against pari passu charge on tangible assets and brand name/ trade marks. The loan is repayable in 6 half yearly instalments starting from 11th December 2017 of Euro 11.20 Lakhs and last instalment of Euro 12.80 lakhs.

(iii) Rupee Term loan (RTL) from ICICI Bank amounting to INR 10,000.00 Lakhs (Outstanding as on 31.03.2019 INR 10,000.00 Lakhs) carries interest rate of 1 year MCLR + Spread and secured against pari pasu charge on tangible assets and brand name/ trade marks (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The loan is repayable in 16 equal quarterly instalments starting from 18th June 2021.

* Refer Note 31 (XI)

18. Trade payables

Particulars	Non Current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Trade and other payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	723.23	1,162.09
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below for dues to Micro and Small Enterprises)	-	-	21,769.35	23,764.83
Trade payables to related parties (Refer note 31 VI)	-	-	7,088.67	4,964.72
Total	-	-	29,581.25	29,891.64

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the Chapter on delayed payments to Micro and Small Enterprises

Particulars	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
(i) Principal amount remaining unpaid to MSME suppliers as on year end	721.77	1,161.35
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	1.46	0.74
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	1.46	0.74
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	1.46	0.74

19. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
(a) Current maturities of long-term debt	-	-	3,620.89	5,614.06
(b) Interest accrued but not due on borrowings	-	-	53.22	76.41
(c) Interest free trade deposits	-	-	4,787.11	3,854.64
(d) Others :-				
-Dues to employees	-	-	4,398.10	4,596.98
-Dues on account of customer rebate schemes and other contractual liabilities	-	-	1,568.65	1,516.32
-Liability towards derivative contracts	-	-	11.09	-
Total	**-**	**-**	**14,439.06**	**15,658.41**

20. Provisions

Particulars	Non Current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Employee benefits - Compensated absences	296.08	283.95	66.22	48.72
Gratuity payable	-	-	157.66	152.35
Other provisions (Refer Note 31XII)				
Warranties	-	-	1,030.77	926.90
Others	-	-	109.76	109.76
Total	**296.08**	**283.95**	**1,364.41**	**1,237.73**

21. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Contract Liabilities - Income received in advance (Refer Note 31 XIV)	10,886.80	10,052.78	30,224.80	27,892.16
Others - Deductions from employees for company's assets	1,149.15	877.87	1,201.57	1,382.40
Advance from customers	-	-	75.39	655.93
Contract Liabilities - Others (Refer Note 1 below)	-	-	62.00	-
Refund Liabilities (Refer Note 2 below)	-	-	1,019.68	-
Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	1,074.72	1,442.21
Total	**12,035.95**	**10,930.65**	**33,658.16**	**31,372.70**

Note 1: Contract liability pertains to deferred revenue arising as a separate performance obligation.

Note 2: The company recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers .

22. Current Borrowings

Particulars	As at March 31, 2019 ₹ in lakhs	As at March 31, 2018 ₹ in lakhs
Unsecured - at amortised cost		
Loans repayable on demand		
- from banks (refer Note 1 below)	6,476.82	2,815.38
Secured - at amortised cost		
Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) (refer Note 2 below)	6,419.76	11,637.63
Total	12,896.58	14,453.01

Note 1. Unsecured short term borrowing from banks carries interest @ 7.5% to 10.50 % p.a.

Note 2. Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade & book debts and carries interest @ 8.35 % to 13 % p.a.

23. Revenue from operations

	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Sale of products (including Excise Duty)	1,34,654.69	1,32,747.18
Sale of services	48,168.43	43,922.02
Other operating revenues		
Scrap sales	214.27	183.66
Other (includes income from renting of assets)	1,190.47	1,721.53
Total	**1,84,227.86**	**1,78,574.39**

24. Other Income and other gains/ (losses)

Other Income	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	56.62	20.93
Interest Others (On Income tax refund)	89.25	-
Interest income from financial assets at amortised cost	878.22	934.57
Dividend Income from equity Investments measured at Cost*		
Joint Venture	-	50.00
Dividend Income from equity Investments measured at fair value through Profit or Loss		
Current investment - Non-Trade	0.04	0.49
Fair value Commission on Financial Guarantee	177.98	178.54
Rental Income from Operating Lease	67.67	63.37
Others (includes Government grants ₹ 415.41 lakhs (previous year ₹ Nil))	996.03	374.06
Total (A)	**2,265.81**	**1,621.96**

* Dividend recognised during the previous year relates to investment held as on the balance sheet date

Other gains/(losses) -Net	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Gain/(loss) on disposal of property, plant and equipment	(60.70)	326.17
Gain/(loss) on disposal of Investments at FVTPL	294.07	185.02
Net foreign exchange gains/(losses)	(2.09)	1,272.42
Net gain/(loss) arising on financial assets measured at FVTPL	(17.81)	21.24
Net loss on sale long-term investments	(78.85)	-
Total (B)	**134.62**	**1,804.85**
Total (A+B)	2,400.43	3,426.81

25. Cost of Goods Sold

	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Raw Materials, Components and Packing Materials -		
Inventory at the beginning of the year	2,647.30	4,644.88
Add : Purchases	58,841.73	50,877.58
	61,489.03	55,522.46
Less : Inventory at the end of the year	3,934.32	2,647.30
Cost of Raw Materials, Components and Packing Materials consumed	57,554.71	52,875.16
Purchases of stock-in-trade	15,759.45	23,372.68
Changes in inventories of finished goods, Spares, work-in-progress and stock-in-trade.	4,774.45	(1,045.49)
Total	20,533.90	22,327.19

26. Employee benefits expense

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Salaries and Wages	28,784.81	29,860.13
Contribution to provident and other funds	1,241.73	1,334.46
Staff Welfare Expenses	842.49	877.31
Total	**30,869.03**	**32,071.90**

27. Finance costs

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Interest on bank overdrafts and loans	1,754.78	1,711.82
Exchange differences regarded as an adjustment to borrowing costs	7.75	726.12
Other borrowing costs	141.34	238.13
Total	**1,903.87**	**2,676.07**

28. Depreciation and amortisation expense

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Depreciation of property, plant and equipment	1,868.19	2,165.86
Amortisation of intangible assets	166.16	236.13
Total	**2,034.35**	**2,401.99**

29. Other expenses

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Electricity Power and fuel	323.87	350.09
Rent	1,348.53	1,367.22
Repairs and Maintenance -		
Building	84.02	68.90
Machinery	47.37	71.17
Others	796.31	805.81
Insurance	490.66	585.38
Advertisement	4,469.37	5,235.36
Selling and Sales Promotion	10,386.61	8,944.63
Freight, Forwarding and Delivery	4,760.51	4,343.14
Wages to contractual workers	698.59	718.11
Payment to Auditors (Refer details Below)	85.68	80.11
Printing and Stationery	296.14	387.19
Communication cost	1,517.69	1,410.86
Travelling and Conveyance	2,145.38	2,056.08
Legal and Professional Fees	3,248.45	1,575.81
Vehicle Running Expenses	1,299.56	1,295.35
Rates and taxes, excluding taxes on income	316.95	322.14
Conference Expenses	2,020.65	2,456.51
Service Charges	23,938.01	21,163.36
Information Technology Expenses	2,944.68	2,545.38
Logistics Expenses	2,298.46	1,904.17
Other Establishment Expenses	3,676.60	4,458.09
Corporate Social Responsibility Expenses(Refer Note 31 V)	113.00	200.34
Directors' Sitting Fees	26.10	42.33
Bad Debts/Advances Written-Off	428.73	664.56
Provision for Doubtful Debts / Advances	94.20	588.72
Commission to Directors	217.05	201.08
Total	**68,073.17**	**63,841.89**

Payments to auditors	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
As Statutory auditor		
For Audit fee *	72.00	57.00
For other services	2.85	15.79
For reimbursement of expenses	2.25	2.38
As Cost auditor	4.75	2.58
	81.85	**77.75**

* Includes fees of ₹ 9.00 lakhs for previous year

30. Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Current tax		
In respect of the current year	1,781.71	2,101.96
Deferred tax		
In respect of the current year	128.31	(7.17)
Total income tax expense recognised in the current year	1,910.02	2,094.79

Notes to the financial statements for the year ended March 31, 2019 - continued

31 Additional information to the financial statements

I Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

(i) Corporate Guarantee given to Bank on behalf of a Subsidiary Company - ₹. 17,613.20 lakhs (previous year ₹.36,287.37 Lakhs)

(ii) Bank Guarantees issued on behalf of the Company - ₹5.00 lakhs (previous year ₹.11.93 lakhs)

(iii) Disputed Income Tax Demands - ₹.827.20 lakhs (previous year ₹.2,034.46 lakhs).

(iv) Disputed Central Excise Demands - ₹.1,493.16 lakhs(previous year ₹.1,371.85 lakhs).

(v) Disputed Sales Tax demands -₹.4,883.05 lakhs/-(previous year ₹.5,273.30/-).

(vi) Disputed Service Tax demands - ₹.1,945.68 lakhs (previous year ₹.1,925.38 lakhs)

(vii) Disputed civil suit - ₹ 33.73 lakhs (previous year - ₹.33.73 lakhs)

(viii) Disputed claims against the company not acknowledged as debt ₹.42.84 Lakhs (Previous Year ₹.42.84 Lakhs)

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹.164.59 Lakhs (previous year ₹.29.56 Lakhs).

(ii) Towards performance guarantee ₹.1,953.09 Lakhs (previous year ₹.1,134.43 Lakhs)

(iii) The Company has given financial support letter for continuing operation to subsidiaries Forbes Lux International AG and Forbes Enviro Solutions Limited

In respect of all items mentioned in (a) above, till the matter are finally decided, the timing of outflow of economic benefit cannot be ascertained

II a.)The company has taken various residential/commercial premises and Equipment's under cancellable operating lease. Lease rental expenses included in the statement of profit and loss for the year is ₹.1,348.53 Lakhs (Previous Year ₹.1,367.22 Lakhs) for Premises. None of the lease agreement entered into by the company contain a clause on contingent rent. The Company has taken more than 200 premises and each agreement contain an escalation clause which varies depending upon the specific arrangement with each lessor. In all the rent agreements there are no terms for purchase option.

b.) The company is in the business of giving products on operating lease and the details are as under :

	2018-19	**2017-18**
	₹ Lakhs	**₹ Lakhs**
Gross carrying amount of products given on operating lease	286.57	1,367.62
Accumulated Depreciation	113.87	796.03
Depreciation for the year	49.90	320.97

c.) The company has given certain office / factory premises & moulds on operating lease basis. Details of which are as follows -

Particulars	Building		Plant and Machinery (Moulds)	
	March 2019	March 2018	March 2019	March 2018
	₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
Gross Amount	367.22	367.22	35.66	35.66
Accumulated Depreciation	99.88	86.89	23.00	21.31
Depreciation	12.99	12.99	1.70	1.70

d.)The company has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the year is ₹.67.67 Lakhs (Previous Year ₹.63.37 Lakhs) for Premises.

III The Company is primarily engaged in the business of Health, Hygiene & Safety products and its services. Information reported to and evaluated regularly by chief operating decision maker for the purpose of resource allocation and assessing performance focuses on the business as a whole. accordingly there is no other separate segment as per Indian Accounting Standard 108 dealing with "Operating Segment" . The geographical segmentation is insignificant as the export turnover is less than 10% of the total turnover and also company's Non Current assets (other than Financial Instrument, deferred tax, post employment benefits and rights arising under insurance contracts) are located in India.

Revenue from transactions with a single external customer did not amount to 10 % or more of the Company's revenue from external customers for current and previous year

The Company's main revenue is from sale of water purifiers , spares and servicing

Revenue from External Customers

	Year ended March 31, 2019	Year ended March 31, 2018
	₹ Lakhs	₹ Lakhs
India	1,81,911.37	1,76,761.81
Outside India	2,316.49	1,812.58
Total Revenue	**1,84,227.86**	**1,78,574.39**

IV (a) The aggregate amount of Assets, Liabilities, Income and Expenses related to the Company's interests in the JV as at March 31, 2019 is as follows:

Sl.No	Name of the Company	Country of Incorporation	Year Ended on	% Holding	Eureka Forbes Ltd. Share			
					Assets	Liabilities	Income	Expenses
					₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
1	Forbes Concept Hospitality Services Pvt Ltd.	India	31.03.2019	50%	8.61	2.28	1.42	1.78
			31.03.2018	50%	7.44	0.75	0.41	0.13
2	Forbes Aquatech Limited	India	31.03.2019	50%	1,068.38	245.42	1,247.09	1,095.91
			31.03.2018	50%	1,023.19	308.89	1,395.82	1,191.79
3	Infinite Water Solutions Pvt Limited	India	31.03.2019	50%	2,724.47	499.96	2,442.13	2,115.35
			31.03.2018	50%	2,306.57	366.50	2,608.77	2,174.49
4	Aquaignis Technologies Pvt Limited	India	31.03.2019	-	-	-	-	-
			31.03.2018	50%	238.27	45.63	364.09	356.98
5	Forbes G4S Solutions Pvt Limited	India	31.03.2019	-	-	-	-	-
			31.03.2018	50%	-	2.57	-	0.11

IV (b) The Company's share of contingent liabilities of the Joint Venture Forbes Aquatech Limited as at 31.03.2019 is ₹.86.83 Lakhs (Previous Year ₹.86.83 Lakhs) and Infinite Water Solutions Limited as at 31.03.2019 is ₹.95.34 Lakhs (Previous year ₹ 94.17 Lakhs)

V Corporate social responsibility expenditure:-

Particulars	For the year ended 31 March 2019			For the year ended 31 March 2018		
a)Gross amount required to be spent by the company during the year	₹ 112.60 Lakhs			₹ 82.71 Lakhs		
b) Amount spent during the year on						
Particulars	Paid in cash	Yet to be paid	Total	Paid in cash	Yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) Purposes other than (i) above	113.00	-	113.00	200.34	-	200.34

VI As required under Indian Accounting Standard 24 on "Related Party Disclosures" the list of related parties and their transactions is attached. (Annexure 'B' & 'C')

VII ₹.752.68 Lakhs (Previous year ₹.582.38 Lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

VIII Disclosure pursuant to Section 186(4) of the companies Act 2013

Name of the Company	Nature of transaction	Purpose	2018-19		2017-18	
			Amount Given/(Repaid) during the Year ₹ Lakhs	Closing Balance as at 31st March 2019 ₹ Lakhs	Amount Given/(Repaid) during the Year ₹ Lakhs	Closing Balance as at 31st March 2018 ₹ Lakhs
Euro Forbes Limited	Loan	For expansion of Business	(3,664.45)	-	1,292.80	3,664,45*
Euro Forbes Limited	Corporate Guarantee	For expansion of Business	(18,636.61)	-	-	18,636.61 *
Forbes Lux International AG	Corporate Guarantee	For expansion of Business	-	4,783.15 *	-	4,472.79*
Lux International AG	Corporate Guarantee	For expansion of Business	-	12,830.05 *	-	13,177.97 *
Forbes Lux International AG	Loan	For expansion of Business	-	19,260.51*	2,841.52	19,781.67*
Forbes Facility Services Private Limited	Loan	Working capital	-	-	(240.00)	-
Forbes Enviro Solutions Limited	Loan	Working capital	-	350.00*	-	350.00*

For Investment made refer note: 5

* Year end balance has been restated at the year end forex currency rate

IX The Company has equity investment amounting to ₹ 35,148.04 lakhs in Euro Forbes Ltd, Dubai (wholly owned subsidairy) which inturn holds investment in Forbes Lux FZCO, Dubai (step down subsidiary). These subsidiaries have significant accumulated losses and they could not expand the business as envisaged. Basesd on the impairment assessment carried out by management , the company has during the year, made provision for impairment in its investment in Euro Forbes Limted amounting to ₹ 34,113.84 lakhs. The same has been disclosed as an exceptional item in the statement of Profit and Loss.

X During the previous year, the Company had made provision for impairment of its investment in FLIAG amounting to ₹ 171,81 lakhs which was shown as an exceptional item in the Statement of Profit and Loss.

XI During the year, Company has not defaulted in payment of its interest and principal that are due on borrowings. There were breach in maintaining some of the financial ratios. Outstanding amount as at the year-end in respect of such borrowings amounted to ₹. 5,485.76 Lakhs as at the financial year-end and till the date of approval of the financial statements by the Board of Directors, the lender has not demanded for any accelerated repayment of borrowings and the terms of borrowings were not changed.

XII Disclosures of provision

A) Particulars

Particulars	Year ended March 31, 2019		Year ended March 31, 2018	
	₹ in Lakhs Excise Duty	₹ in Lakhs Sales Tax	₹ in Lakhs Excise Duty	₹ in Lakhs Sales Tax
At the beginning of the year	108.47	1.29	108.47	45.75
Additional provision during the year	-	-	-	-
Provision for extraordinary item	-	-	-	-
Provision utilized during the year	-	-	-	-
Write back during the Year	-	-	-	(44.46)
At the end of the year	108.47	1.29	108.47	1.29

B) Warranty provision

The company gives warranty on certain products, towards satisfactory performance of products 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. The Table given below gives information about movement in warranty provisions

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹ in Lakhs	₹ in Lakhs
At the beginning of the year	926.90	944.28
Add: Additions during the year*	1,030.77	926.90
Less: Utilization during the year	952.17	933.47
Less: Unused amount reversed /(additional utilisation) during the	(25.27)	10.81
At the end of the year	1,030.77	926.90

*Included in Service Charges under other Expenses

XIII Impact on Adoption of Indian Accounting Standard 115 on "Revenue from Contracts with Customers" refer attached Annexure 'A'

XIV Remaining performance obligation towards rendering of maintenance contracts as the year end is recognized as “Income received in advance” and presented in “Other liabilities”. This obligation pertains to maintenance services that would be carried out over the contract period for which company has received the advance. The service period ranges from 1 year to 4 years. Management believes that 73% pertaining to remaining obligation as of the year ended 31 March 2019 will be recognised as revenue during the next financial year 23% will be recognized as revenue in FY 20-21 and 4% will be recognised in FY 21-22

Reconciliation of Revenue Recognised with contract price

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Contract Price *	1,88,093.33	1,82,030.87
Adjustment for		
Less:		
Refund Liabilites Promotion Items	447.81	-
Refund Liabilities - Sales Return estimate	189.00	-
Performance Liabilities	62.00	-
Add: Unperformed performance obligation at the end the period	41,111.60	37,944.94
Less: Unperformed performance obligation at the beginning of the period	(37,944.94)	(34,488.46)
Revenue from continuing operations	1,84,227.86	1,78,574.39

* Net of Taxes

XV The disclosures required under Indian Accounting Standard 19 "Employee Benefits" the details of post employment benefit is attached. Annexure D

XVI The Financial statement were approved for issue by the board of directors on 21st May 2019.

XIII Effective April 1, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers” using the cumulative catch up transition method, applied to contracts that were not completed as at April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. Refer Note 2(m) in the financial statements for “Significant Accounting Policies.”

1 The following table presents the amounts by which each financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included.

Balance sheet (extract) as at March 31, 2019

	March 31, 2019 without adoption of Ind AS 115 ₹ in Lakhs	Increase/ (decrease) ₹ in Lakhs	March 31, 2019 as reported ₹ in Lakhs
Assets			
Right of Return	-	85.05	85.05
Other Equity			
Retained earnings	20,448.20	(62.00)	20,386.20
Liabilities			
Refund Liability	-	1,019.68	1,019.68
Contract Liabilities	-	62.00	62.00
Other Financial Liability	2,503.28	(934.63)	1,568.65

Statement of Profit and Loss (extract) year ended March 31, 2019

	March 31, 2019 without adoption of Ind AS 115 ₹ in Lakhs	Increase/(decrease) ₹ in Lakhs	March 31, 2019 as reported ₹ in Lakhs
Revenue	1,84,865.67	(637.81)	1,84,227.86
Sales and Promotion expense	10,834.42	(447.81)	10,386.61
Cost of Goods Sold	20,722.90	(189.00)	20,533.90

(a) **Accounting for discounts and incentives:**

Under the previous revenue recognition standards, volume discount, rebates and incentives to customer were provided for as sales and promotion expense and was recognised under other financial liabilities. Under Ind AS 115, revenue for the year ended March 31, 2019 has been adjusted for the value of such items and the same has been recorded as refund liabilities under other current liabilities.

(b) **Accounting for refunds:**

Under the previous revenue recognition standards, provision for returns would be measured on net basis at the margin on sale. Under Ind AS 115, revenue for the year ended March 31, 2019 has been adjusted for expected value of returns and cost of sales has been adjusted for the value of corresponding goods expected to be returned. Accordingly, under Ind AS 115, a refund liability for the expected refunds to customers is recognised as adjustment to revenue in other current liabilities. At the same time company has right to recover the product from the customer when the customer exercise his right of return and an asset and a corresponding adjustment to changes in inventories of finished goods. To reflect this change in policy, the Company has recognised ₹.189.00 Lakhs as other current liabilities and ₹.85.05 Lakhs as other current assets.

(c) **Performance obligation:**

Under Ind AS115, installation service is determined as a separate performance obligation. Accordingly, unperformed service as at the reporting date is deferred and presented as contractual liability under other current liabilities. To reflect this change in policy, the Company has recognised ₹. 61.00 Lakhs as impact to the opening retained earnings. As at the year end, the amount is ₹. 62.00 Lakhs.

(d) **Revenue recognition:**

Under Ind AS 115, Revenue from sale of goods is recognised when control of the products being sold has transferred to the customer upon delivery. This change in policy does not have any material impact.

Notes to the financial statements for the year ended March 31, 2019 - continued

31 (VII) Additional information to the financial statements

Annexure 'C'

A **Enterprises having more than one half of Voting Powers-**

Forbes & Company Ltd. - Holding Company

Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company

B	**Enterprises that are controlled - (Subsidiary Company)-**	**Country**	**Holding in % as at 31-Mar-18**
1	Aquadiagnostics Water Research & Technology Centre Limited	India	100
2	EFL Mauritius Ltd	Mauritius	100
3	Euro Forbes Financials Services Ltd.	India	100
4	Euro Forbes Limited	Dubai	100
5	Forbes Enviro Solutions Ltd	India	100
6	Forbes Facility Services Pvt Ltd.	India	100
7	Forbes Lux FZCO	Dubai	99.42
8	Forbes International AG (formerly: Forbes Lux Group AG)	Switzerland	100
9	Forbes Lux International AG	Switzerland	100
10	LIAG Trading and Investments Limited	Dubai	100
11	Lux (Deutschland) GmbH	Germany	100
12	Lux Professional International GmbH (Formerly Known as Lux Aqua Gmbh)	Germany	100
13	Lux Aqua Hungaria Kft	Hungary	100
14	Lux Aqua Czech s.r.o.	Czech Republic	100
15	Lux International Services Kft.	Hungary	100
16	Lux Hungária Kereskedelmi Kft.	Hungary	100
17	Lux International AG	Switzerland	100
18	Lux Italia srl	Italy	100
19	Lux Norge A/S	Norway	100
20	Lux Oesterreich GmbH	Austria	100
21	Lux Schweiz AG	Switzerland	100
22	Lux International Services & Logistics GmbH (formerly: Lux Service GmbH)	Germany	100
23	Lux Aqua Paraguay SA	Paraguay	90
24	Lux del Paraguay S.A. (considered as Subsidiary by virtue of operational control)	Paraguay	50

C.	Enterprises under Common Control -(where there are transactions)	
1	Eureka Forbes Institute of Environment (Trust)	India
2	Afcons Infrastructure Ltd.	India
3	Forbes Bumi Armada Offshore Ltd	India
4	Forbes Technosys Ltd	India
5	Next Gen Publishing Ltd.	India
6	Relationship Properties Pvt. Ltd.	India
7	Samalpatti Power Co Pvt. Ltd.	India
8	SD Corporation Private Limited	India
9	Shapoorji Pallonji Forbes Shipping Ltd	India
10	Shapoorji Pallonji Rural Solutions Pvt Ltd.	India
11	Sterling & Wilson Pvt. Ltd.	India
12	Sterling Motors	India
13	Transtonnelstroy Afcons Joint Venture	India

D Associate Company

Euro P2P Direct (Thailand) Co.Ltd. — Thailand

E	Joint Venture		
1	AMC cookware Limited	South Africa	50
2	Aquaignis Technologies Pvt. Ltd.	India	50
3	Forbes Aquatech Limited	India	50
4	Forbes Concept Hospitality Services Private Ltd	India	50
5	Forbes G4S Solutions Private Limited	India	50
6	Infinite Water Solutions Private Ltd	India	50

F Key Management Personnel

Mr. S.L.Goklaney Executive Vice Chairman (Upto 30.09.2017)

Mr.Marzin R. Shroff - Managing Director & CEO (w.e.f. 27.06.2017)

Mr. Shapoor P Mistry -Non - Executive Chairman

Mr.Pallon Shapoor Mistry - Non - Executive Director

Mr.Mahesh Chelaram Tahilyani - Non - Executive Director

Notes to the financial statements for the year ended March 31, 2018 - continued

(II) Transactions with Related Parties for the year ended 31st March 2018

Nature of Transactions	Related Party					
	Referred to in A above ₹ in Lakhs	Referred to in B above ₹ in Lakhs	Referred to in C above ₹ in Lakhs	Referred to in D above ₹ in Lakhs	Referred to in E above ₹ in Lakhs	Referred to in F above * ₹ in Lakhs
Purchases						
Goods and Materials	-	1,500.08	-	-	8,615.00	-
Services Rendered	-	184.62	6.10	-	-	-
Fixed Assets	-	-	-		-	-
	-	1,684.70	6.10	-	8,615.00	-
Sales						
Goods and Materials	275.95	1,924.70	103.08	-	382.95	-
Services Rendered	1.03	6.01	1.79	-	-	-
Fixed Assets	-	-	-		-	-
	276.98	1,930.71	104.87	-	382.95	-
Expenses						
Rent and other services	-	-	-	-	-	2.75
Repairs & Other Expenses	722.49	362.86	-	-	69.62	-
Finance Charges	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-
Recovery of Expenses	16.00	-	-	-	-	-
CSR contribution	-	-	200.22			
	738.49	362.86	200.22	-	69.62	2.75
Income						
Rent and other services	-	9.27	-	-	63.37	-
Interest	-	932.59	-	-	-	-
Dividend	-	-	-	-	50.00	-
Misc. Income	2.02	0.29	0.33	-	4.38	-
	2.02	942.15	0.33	-	117.75	-
Other Receipts						
Other Reimbursements	-	44.17	-	-	72.14	-
Finance						
Inter-corporate deposits given	-	4,134.32	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-
Deposit given	3.00	-	-	-	-	-
Deposit received	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	240.00	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-
Repayment of Deposit given	3.00	240.00	-	-	-	-
Repayment of Deposit received	-	-	-	-	-	-
Investment in shares	-	927.27	-	-	-	-
Sale of investment	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Outstanding						
Trade Payables	386.65	449.82	6.71	-	4,121.52	-
Advances Received	-	-	-	-	-	-
Trade Receivables	144.28	2,618.82	21.28	-	-	-
Inter-corporate deposits receivable	-	23,796.13	-	-	-	-
Interest Accrued	-	4,688.84	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-
Other Deposits Payable	-	0.10	-	-	7.51	-
Advances	-	272.80	1.30	-	0.59	-
Remuneration						
Paid / Payable	-	-	-	-	-	415.95
Guarantees						
Given	-	-	-	-	-	-
Outstanding	-	36,287.37	-	-	-	-

Terms and conditions:-

1.) All outstandings balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

2.) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

3.) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

(III) The above Transaction includes :

Nature of Transactions	A	A	B	B	B	B	B	B	B	B	B	B	C	C	C	C	C	C
	Forbes & Company Ltd. - Holding Company	Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	Aquadiagnostic Water Research & Technology Center Ltd	EFL Mauritius Ltd	Euro Forbes Limited	Forbes Enviro Solutions Ltd	Forbes Facility Services Pvt Ltd.	Forbes Lux FZCO	Forbes Lux International AG	Lux International AG	Lux Service GMBH	LIAG Trading & Investment Ltd.	Afcons Infrastructure Ltd.	Forbes Bumi Armada Offshore Ltd	Forbes Technosys Ltd	Next Gen Publishing Ltd.	Relationship Properties Pvt. Ltd.	Samalpatti Power Co Pvt. Ltd.
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases																		
Goods and Materials	-	-	-	-	-	1,500.08	-	-	-	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	184.62	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	1,684.70	-	-	-	-	-	-	-	-	-	-	-	-
Sales																		
Goods and Materials	1.55	274.40	0.10	-	-	6.25	163.21	758.03	-	-	-	997.11	10.39	-	-	-	12.52	-
Services Rendered	0.08	0.95	-	-	-	5.90	0.11	-	-	-	-	-	1.15	-	0.11	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1.63	275.35	0.10	-	-	12.15	163.32	758.03	-	-	-	997.11	11.54	-	0.11	-	12.52	-
Expenses																		
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	722.49	64.18	-	-	-	298.68	-	-	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	16.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	16.00	722.49	64.18	-	-	-	298.68	-	-	-	-	-	-	-	-	-	-	-
Income																		
Rent and other services	-	-	-	-	-	-	9.27	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	180.34	39.90	4.77	-	707.58	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	2.02	-	-	-	0.25	0.04	-	-	-	-	-	-	-	0.29	-	-	-
	-	2.02	-	-	180.34	40.15	14.08	-	707.58	-	-	-	-	-	0.29	-	-	-
Other Receipts																		
Other Reimbursements	-	-	-	-	-	-	44.17	-	-	-	-	-	-	-	-	-	-	-
Finance																		
Inter-corporate deposits given	-	-	-	-	1,292.80	-	-	-	2,841.52	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit given	3.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	240.00	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Deposit given	3.00	-	-	-	-	-	240.00	-	-	-	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	927.27	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding																		
Trade Payables	-	386.65	38.20	-	-	402.52	-	9.10	-	-	-	-	-	-	-	-	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	1.42	142.86	-	-	-	-	950.19	336.66	-	223.71	5.14	1,103.12	0.84	-	-	-	6.11	0.04
Inter-corporate deposits receivable	-	-	-	-	3,664.45	350.00	-	-	19,781.68	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	1,597.95	-	-	-	3,090.89	-	-	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	272.80	-	-	-	-	-	-	-	-	-	-	1.26	-	-	-
Remuneration																		
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees																		
Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	18,636.61	-	-	-	4,472.79	13,177.97	-	-	-	-	-	-	-	-

*Post-employment benefits are actuarially determined on overall basis and hence not separately provided.

(III) The above Transaction includes :

Nature of Transactions	C	C	C	C	C	C	C	C	E	E	E	F	F	F	F	F
	SD Corporation Private Limited	Shapoorji Pallonji Forbes Shipping Ltd	Shapoorji Pallonji Rural Solutions Pvt Ltd.	Shapoorji Pallonji Oil & Gas co Pvt Ltd	Sterling & Wilson Pvt. Ltd.	Sterling Motors	Transtonnelstroy Afcons Joint Venture	Eureka Forbes Institute of Environment (Trust)	Aquaignis Technologies Pvt. Ltd.	Forbes Aquatech Limited	Infinite Water Solutions Private Ltd	Managing Director Mr Marzin R. Shroff (w.e.f 27.06.2017)*	Executive Vice Chairman Mr S L Goklaney (Upto 30.09.2017) *	Non Executive Chairman Mr Shapoor P Mistry	Non Executive Director Mr Pallon S Mistry	Non Executive Director Mr.Mahesh Chelaram Tahilyani
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases																
Goods and Materials	-	-	-	-	-	-	-	-	696.42	2,778.47	5,140.11	-	-			
Services Received	6.10	-	-	-	-	-	-	-	-	-	-	-	-			
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-			
	6.10	-	-	-	-	-	-		696.42	2,778.47	5,140.11	-	-	-	-	-
Sales																
Goods and Materials	18.89	0.04	0.74	0.01	60.42	-	0.07	-	10.02	370.93	2.00	-	-			
Services Rendered	0.20	-	-	0.09	0.22	-	0.02	-	-	-	-	-	-			
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-			
	19.09	0.04	0.74	0.10	60.64	-	0.09	-	10.02	370.93	2.00	-	-			
Expenses																
Rent	-	-	-	-	-	-	-	-	-	-	-	-	2.75			
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	69.62	-	-	-			
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-			
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-	-	-			
Bad Debts/Advances written off	-	-	-	-	-	-	-	-	-	-	-	-	-			
Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-			
CSR contribution	-	-	-	-	-	-	-	200.22	-	-	-	-	-			
	-	-	-	-	-	-	-	200.22	-	69.62	-	-	2.75	-	-	-
Income																
Rent and other services	-	-	-	-	-	-	-	-	30.72	-	32.65	-	-			
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-			
Dividend	-	-	-	-	-	-	-	-	-	50.00	-	-	-			
Miscellaneous Income	-	-	-	0.04	-	-	-	-	0.75	3.52	0.11	-	-			
	-	-	-	0.04	-	-	-	-	31.47	53.52	32.76	-	-	-	-	-
Other Receipts																
Other Reimbursements	-	-	-	-	-	-	-	-	13.09	26.35	32.70	-	-			
Finance																
Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-			
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-			
Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-			
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-			
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-			
Repayment of Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-			
Refund of Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-			
Investment in shares	-	-	-	-	-	-	-	-	-	-	-	-	-			
Sale of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-			
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-			
Outstanding																
Trade Payables	3.11	-	3.60	-	-	-	-	-	68.23	1,223.40	2,829.89	-	-			
Advances Received/ Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-			
Trade Receivables	11.79	-	-	-	2.50	-	-	-	-	-	-	-	-			
Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-	-	-			
Interest Accrued	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-			
Other Deposits Payable	-	-	-	-	-	-	-	-	-	-	7.51	-	-			
Advances	-	-	-	0.04	-	-	-	-	-	-	0.59	-	-			
Remuneration																
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-	227.43	164.52	8.40	8.00	7.60
Guarantees																
Given	-	-	-	-	-	-	-	-	-	-	-	-	-			
Outstanding	-	-	-	-	-	-	-	-	-	-	-					

*Post-employment benefits are actuarially determined on overall b

31 (VII) Additional information to the financial statements

Annexure 'B'

A **Enterprises having more than one half of Voting Powers-**

Forbes & Company Ltd. - Holding Company

Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company

			Holding in % as at
B	**Enterprises that are controlled - (Subsidiary Company)-**	**Country**	**31-Mar-19**
1	Aquaignis Technologies Pvt. Ltd. (w.e.f 13th June 2018)	India	100
2	EFL Mauritius Ltd	Mauritius	100
3	Euro Forbes Financials Services Ltd.	India	100
4	Euro Forbes Limited	Dubai	100
5	Forbes Enviro Solutions Ltd	India	100
6	Forbes Facility Services Pvt Ltd.	India	100
7	Forbes Lux FZCO	Dubai	100
8	Forbes Lux International AG	Switzerland	100
9	LIAG Trading and Investments Limited	Dubai	100
10	Lux (Deutschland) GmbH	Germany	100
11	Lux Hungária Kereskedelmi Kft.	Hungary	100
12	Lux International AG	Switzerland	100
13	Lux Italia srl	Italy	100
14	Lux Norge A/S	Norway	100
15	Lux Oesterreich GmbH	Austria	100
16	Lux Schweiz AG	Switzerland	100
17	Lux International Services & Logistics GmbH (formerly: Lux Service GmbH)	Germany	100
18	Lux Aqua Paraguay SA	Paraguay	100
19	Lux del Paraguay S.A. (considered as Subsidiary by virtue of operational control)	Paraguay	50
20	Aquadiagnostics Water Research & Technology Centre Limited (upto 25th June 2018)	India	100
C.	Enterprises under Common Control -(where there are transactions)		
1	Afcons Infrastructure Limited	India	
2	Forbes Technosys Limited	India	
3	Gossip Properties Private limited	India	
4	Jaykali Developers Private limited	India	
5	Relationship Properties Private Limited	India	
6	Samalpatti Power Company Private limited	India	
7	SD Corporation Private Limited	India	
8	Shapoorji Pallonji Oil & Gas Company private Limited	India	
9	Sterling & Wilson Private Limited	India	
10	Sterling Motors Private Limited	India	
11	Transtonnelstroy Afcons Joint Venture	India	
12	Eureka Forbes Institute of Environment (Trust)	India	
13	Shappoorji Pallonji Infrastructure Private Limited	India	
14	Shapoorji Pallonji Oil & Gas Private Limited	India	
D	Associate Company		
	Euro P2P Direct (Thailand) Co.Ltd.	Thailand	
E	Joint Venture		
1	AMC cookware Limited	South Africa	50
2	Forbes Aquatech Limited	India	50
3	Forbes Concept Hospitality Services Private Ltd	India	50
4	Infinite Water Solutions Private Ltd	India	50
5	Aquaignis Technologies Pvt. Ltd. (upto 13th June 2018)	India	50
6	Forbes G4S Solutions Private Limited (upto 10th May 2018)	India	50

F Key Management Personnel

Mr. Shapoor P Mistry -Non - Executive Chairman

Mr.Marzin R. Shroff - Managing Director & CEO

Mr.Pallon Shapoor Mistry - Non - Executive Director

Mr.Mahesh Chelaram Tahilyani - Non - Executive Director

Notes to the financial statements for the year ended March 31, 2019 - continued

(II Transactions with Related Parties for the year ended March 31, 2019

Nature of Transactions	Related Party Referred to in A above ₹ in Lakhs	Referred to in B above ₹ in Lakhs	Referred to in C above ₹ in Lakhs	Referred to in D above ₹ in Lakhs	Referred to in E above ₹ in Lakhs	Referred to in F above * ₹ in Lakhs
Purchases						
Goods and Materials	-	2,047.18	-	-	7,278.03	-
Services Rendered	-	156.37	-	-	-	-
Fixed Assets	-	-	-		-	-
	-	2,203.55	-	-	7,278.03	-
Sales						
Goods and Materials	369.16	2,454.01	136.75	-	192.14	-
Services Rendered	5.82	0.27	19.66	-	-	-
Fixed Assets	-	-	-		-	-
	374.98	2,454.28	156.41	-	192.14	-
Expenses						
Rent and other services	-	-	-	-	-	-
Repairs & Other Expenses	184.47	790.44	5.45	-	53.96	-
Finance Charges	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-
CSR contribution	-	-	113.00			
	184.47	790.44	118.45	-	53.96	-
Income						
Rent and other services	-	35.02	-	-	38.49	-
Interest	-	876.80	-	-	-	-
Bad Debts/Advances written back	-	49.02	-	-	-	-
Dividend	-	-	-	-	-	-
Misc. Income	3.05	4.18	0.18	-	-	-
	3.05	965.02	0.18	-	38.49	-
Other Receipts						
Other Reimbursements	-	60.31	-	-	52.78	-
Finance						
Inter-corporate deposits given	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-
Interest Accrued - Received	-	1,597.95	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	3,664.45	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-
Repayment of Deposit received	-	-	-	-	-	-
Investment in shares	-	26,771.13	-	-	-	-
Issue of Share Capital	2,505.00					
Sale of investment	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Outstanding						
Trade Payables	584.35	733.75	0.64	-	5,769.94	-
Advances Received	-	-	-	-	-	-
Trade Receivables	170.34	1,276.28	60.81	-	-	-
Inter-corporate deposits receivable	-	19,610.52	-	-	-	-
Interest Accrued	-	3,886.78	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-
Other Deposits Payable	-	0.10	-	-	7.48	-
Advances	-	272.80	1.51	-	-	-
Remuneration						
Paid / Payable	-	-	-	-	-	303.91
Guarantees						
Given	-	-	-	-	-	-
Outstanding	-	17,613.20	-	-	-	-

Terms and conditions:-
1.) All outstandings balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
2.) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
3.) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

(III) The above Transaction includes :

Nature of Transactions	A	A	B	B	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C	C
	Forbes & Company Ltd. - Holding Company	Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	Aquaignis Technologies Pvt. Ltd.	EFL Mauritius Ltd	EURO FORBES LTD	Forbes Enviro Solutions Ltd	Forbes Facility Services Pvt Ltd.	Forbes Lux FZCO	Forbes Lux International AG	Lux International AG	LIAG Trading & Investment Ltd.	Afcons Infrastructure Ltd.	Forbes Technosys Ltd	Gossip Properties Pvt. Ltd	Jaykali Developers Pvt. Ltd	Relationship Properties Pvt. Ltd.	Samalpatti Power Co Pvt. Ltd.	SD Corporation Private Limited	Shapoorji Pallonji Engg & Construction Pvt Ltd	Shappoorji Infrastructure Pvt Ltd
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases																				
Goods and Materials	-	-	553.01	-	-	1,494.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	156.37	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**553.01**	**-**	**-**	**1,650.54**	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**	**-**	**-**	**-**	
Sales																				
Goods and Materials	0.57	368.59	44.80	-	-	22.55	131.35	860.77	-	-	1,394.54	29.42	-	0.11	0.10	8.70	-	1.17	0.37	0.05
Services Rendered	0.08	5.74	-	-	-	0.10	0.17	-	-	-	-	0.81	0.19	-	-	-	1.89	1.17	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	0.65	**374.33**	**44.80**	**-**	**-**	**22.65**	**131.52**	**860.77**	**-**	**-**	**1,394.54**	**30.23**	**0.19**	**0.11**	**0.10**	**8.70**	**1.89**	**2.34**	**0.37**	**0.05**
Expenses																				
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	184.47	2.30	-	-	-	788.14	-	-	-	-	-	-	-	-	-	-	5.45	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CSR contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	**184.47**	**2.30**	**-**	**-**	**-**	**788.14**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5.45**	**-**	**-**
Income																				
Rent and other services	-	-	31.19	-	-	3.83	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	41.01	39.90	-	-	795.89	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-	49.02	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	3.05	-	-	-	3.82	0.36	-	-	-	-	-	0.18	-	-	-	-	-	-	-
	-	**3.05**	**31.19**	**-**	**41.01**	**47.55**	**49.38**	**-**	**795.89**	**-**	**-**	**-**	**0.18**			**-**	**-**	**-**	**-**	**-**
Other Receipts																				
Other Reimbursements	-	-	12.67	-	-	-	47.64	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance																				
Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	1,597.95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	3,664.45	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	26,771.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of Share Capital	2,505.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding																				
Trade Payables	-	584.35	98.77	-	-	409.86	215.38	9.74	-	-	-	-	-	-	-	-	-	0.64	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	0.19	170.15	-	-	-	-	-	263.50	-	223.10	789.68	10.68	-	-	-	11.94	0.01	0.51	0.14	-
Inter-corporate deposits receivable	-	-	-	-	-	350.00	-	-	19,260.52	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	-	-	3,886.78	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	0.10	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	272.80	-	-	-	-	-	-	-	-	1.47	-	-	-	-	-	-	-
Remuneration																				
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees																				
Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	4,783.15	12,830.05	-	-	-	-	-	-	-	-	-	-

(III) The above Transaction includes :

Nature of Transactions	C Shapoorji Pallonji Oil & Gas co Pvt Ltd	C Sterling & Wilson Pvt. Ltd.	C Sterling Motors	C Transtonnelstroy Afcons Joint Venture	C Eureka Forbes Institute of Environment (Trust)	E Forbes Aquatech Limited	E Infinite Water Solutions Private Ltd	F Managing Director & CEO Mr Marzin R. Shroff	F Non Executive Chairman Mr Shapoor P Mistry	F Non Executive Director Mr Pallon S Mistry	F Non Executive Director Mr.Mahesh Chelaram Tahilyani
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases											
Goods and Materials	-	-	-	-	-	2,457.08	4,820.95	-	-	-	-
Services Received	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**		**2,457.08**	**4,820.95**				
Sales											
Goods and Materials	-	2.94	0.12	0.41	93.36	190.49	1.65	-	-	-	-
Services Rendered	0.07	0.05	-	0.07	15.41	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
	0.07	**2.99**	**0.12**	**0.48**	**108.77**	**190.49**	**1.65**				
Expenses											
Rent	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	53.96	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-
CSR contribution	-	-	-	-	113.00	-	-	-	-	-	-
	-	**-**	**-**	**-**	**113.00**	**53.96**	**-**	**-**	**-**	**-**	**-**
Income											
Rent and other services	-	-	-	-	-	5.84	32.65	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**5.84**	**32.65**				
Other Receipts											
Other Reimbursements	-	-	-	-	-	28.14	24.64	-	-	-	-
Finance											
Inter-corporate deposits given	-	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-	-	-
Outstanding											
Trade Payables	-	-	-	-	-	1,421.10	4,348.84	-	-	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	-	1.20	-	-	36.33	-	-	-	-	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	-	7.48	-	-	-	-
Advances	0.04	-	-	-	-	-	-	-	-	-	-
Remuneration											
Paid / Payable	-	-	-	-	-	-	-	272.11	10.80	10.40	10.60
Guarantees											
Given	-	-	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	-	-	-

Notes to the financial statements for the year ended March 31, 2019 - continued

31 Additional information to the financial statements

Annexure 'D'

XV **Employee benefit plans**

Defined benefit plans

Contribution to Defined Benefit Plans / Contribution Plan, recognised are charged off for the year as under :

		2018-19 ₹ in Lakhs	2017-18 ₹ in Lakhs
Employer's contribution to Provident Fund	*	206.09	191.01
Employer's contribution to Superannuation Fund	*	127.72	136.97
Employer's contribution to Pension Scheme		305.11	316.52

* The company has formed its own trust for Managing Provident fund, which is considered as Defined contribution plans and superannuation which is also considered as defined contribution plan of its employees as per the permission granted by the respective authority

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held separately from those of the Company in funds under the control of trustees. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

The Company sponsors funded defined benefit plans for qualifying employees. The defined benefit plans are administered by a separate Fund that is legally separated from the entity. The board of the Fund is composed of an equal number of representatives from both employers and (former) employees. The board of the Fund is required by law and by its articles of association to act in the interest of the Fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees, employers. The board of the Fund is responsible for the investment policy with regard to the assets of the Fund.
For the entity merged in the company during the previous year the employee Gratuity fund scheme managed by Life insurance corporation of India has been transferred to the above fund during the year.

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, Which recognises each period of service as giving rise to additional unit of employment benefit entitlement and measures each unit separately to build up final obligation. The obligation for leave encashment is recognised in the same manner.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. 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 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. For the entity merged in the company during the previous year the employee Gratuity fund scheme managed by Life insurance corporation of India has been transferred to the Company sponsored fund during the year.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees except agreed pension payouts to former Executive Vice Chairman

Notes to the financial statements for the year ended March 31, 2019 - continued

31 Additional information to the financial statements

Annexure 'D'

XV **Employee benefit plans**

(a) Provident Fund

The details of Eureka Forbes Limited Employees' Provident Fund and planed assets position as at 31.03.2019 is given below

Particulars	Valuation as at	
	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Present value of benefit obligation at period end	10,872.13	9,718.83
Planned Assets at the period end	12,978.58	11,691.31
Discounting Rate	7.78%	7.87%
Expected Guaranteed interest rate	8.65%	8.55%
Average Expected Future Service	20 years	21 years
Average Term To Maturity Of Assets	5.54 Years	5.89 Years

The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are universally, necessarily and ordinarily paid to all the employees in the establishment across the board. There are numerous interpretative issues relating to the judgement and the matter as at date remains sub judice. As a matter of caution, the Company has made provision for an estimated amount on a prospective basis.

(b) Gratuity Fund

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2019	As at March 31, 2018 *
Discount rate(s)	7.78%	7.87% / 7.73%
Expected rate(s) of salary increase	3.50%	3.50% / 8 %
Mortality rates	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

* Rates for the entity which merged into the company

Amounts recognised in statement of profit and loss/ other comprehensive income in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Service cost:		
Current service cost	127.50	146.47
Past service cost and (gain)/loss from settlements	-	-
Expected Returns on plan assets	-	(4.41)
Net interest expense	10.97	14.22
Components of defined benefit costs recognised in profit or loss	138.47	156.28
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(15.62)	13.73
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	11.37	-47.37
Actuarial (gains) / losses arising from experience adjustments	23.44	39.34
Others	-	(0.03)
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	**19.19**	**5.67**
Total	157.66	161.95

Notes to the financial statements for the year ended March 31, 2019 - continued
31 Additional information to the financial statements

Annexure 'D'

XV **Employee benefit plans**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Present value of funded defined benefit obligation	(1,592.82)	(1,515.17)
Fair value of plan assets	1,435.16	1,362.82
Funded status	(157.66)	(152.35)
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	(157.66)	(152.35)

Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Opening defined benefit obligation	1,515.17	1,900.07
Current service cost	127.50	146.47
Interest cost	113.41	140.87
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in financial assumptions	11.37	(47.37)
Actuarial gains and losses arising from experience adjustments	23.44	39.34
Liabilities Transferred In/Acquisition	-	-
Benefits paid	(198.06)	(664.21)
Closing defined benefit obligation	**1,592.83**	**1,515.17**

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	₹ in Lakhs	₹ in Lakhs
Opening fair value of plan assets	1,362.82	1,767.64
Interest income	115.35	126.65
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	15.62	(9.29)
Contributions from the employer	139.44	142.03
Assets Transferred In/Acquisition	-	-
Benefits paid	(198.06)	(664.21)
Other	-	-
Closing fair value of plan assets	1,435.17	1,362.82

Notes to the financial statements for the year ended March 31, 2019 - continued

31 Additional information to the financial statements

Annexure 'D'

XV **Employee benefit plans**

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Particulars	**Fair Value of plan asset as at**	
	As at March 31, 2019	**As at March 31, 2018**
	₹ in lakhs	**₹ in lakhs**
Cash and cash equivalents		
Government Of Indian Assets	559.90	393.00
State Government Securities	185.29	233.84
Special Deposit Scheme	41.03	41.03
Debt Instrument	202.74	473.34
Corporate Bond	373.86	107.21
Others	37.11	16.32
Mutual Funds	35.24	32.10
Asset managed by insurer (LIC)	-	65.97
Subtotal	**1,435.17**	**1,362.81**
Total	**1,435.17**	**1,362.81**

Maturity Analysis of the Benefits Payments from the Fund

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
	₹ in Lakhs	**₹ in Lakhs**
Projected Benefits payable in future years from the date of reporting		
1st Following Year	176.81	185.48
2nd Following Year	56.94	66.18
3rd Following Year	89.90	59.55
4th Following Year	153.59	79.00
5th Following Year	127.79	131.95
Sum of years 6 to 10	828.06	820.80
Sum of years 11 and above	2,193.77	2,144.65

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1% basis points higher (lower), the defined benefit obligation would decrease by ₹.137.10 Lakhs (increase by ₹.118.52 Lakhs) (as at March 31, 2018 if the discount rate is 1% (0.5% for entity which merged into the company): decrease by ₹. 132.06 lakhs (increase by ₹.114.55 lakhs))
If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹.141.74 lakhs (decrease by ₹.124.18 lakhs) (as at March 31, 2018 (0.5% for entity which merged into the company): increase by ₹.136.51 lakhs (decrease by ₹.119.93 lakhs))

If Employee Turnover increases (decreases) by 1%, the defined benefit obligation would increase by ₹.52.87 lakhs (decrease by ₹.59.89 lakhs) (as at March 31, 2018 : increase by ₹.52.00 lakhs (decrease by ₹.58.95 lakhs))

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

Notes to the financial statements for the year ended March 31, 2019 - continued

32 Financial instruments

Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The Company strategy is to maintain a gearing ratio within 75%.

The gearing ratios were as follows:

	As at March 31, 2019 ₹ in Lakhs	As at March 31, 2018 ₹ in Lakhs
Borrowings	28,184.06	25,701.60
Less: Cash and cash equivalents	2,537.62	8,973.57
Adjusted net debt	25,646.44	16,728.03
Total equity	20,764.08	48,749.70
Adjusted net debt to equity ratio	123.5%	34.3%

During the year Company has accounted the impairment of investment in its one of the subsidiary company for ₹.34,113.84 lakhs Due to this net debt to equity ratio has increased. Over a period of next 2- 3 years company is planning to achieve the ratio within 75%.

Notes to the financial statements for the year ended March 31, 2019 - continued

33. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Profit/(Loss) for the year attributable to equity share holders	(30,364.60)	(13,470.01)
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	37,38,274	37,28,000
Basic and diluted earnings per share (₹)	(812.26)	(361.32)

Basic Earnings per share

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

Particulars	Year ended March 31, 2019 ₹ in Lakhs	Year ended March 31, 2018 ₹ in Lakhs
Profit for the year attributable to owners of the Company	(30,364.60)	(13,470.01)
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in numbers)	37,38,274	37,28,000

Notes to the financial statements for the year ended March 31, 2019 - continued

34 Financial instruments – Fair values

Accounting classification and fair values

	March 31, 2019			March 31, 2018		
	FVTPL*	FVTOCI**	Amortised Cost	FVTPL*	FVTOCI**	Amortised Cost
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Financial assets						
Cash and Bank Balances	-	-	2,625.42	-	-	9,091.80
Long-term loans and advances	-	-	19,260.52	-	-	23,446.13
Short-term loans and advances	-	-	374.69	-	-	384.88
Trade and other receivables	-	-	27,929.36	-	-	25,850
Current Investments	-	-	-	17.47	-	-
Non Current Investments #	-	219.21	29,528.17	57.81	271.59	36,794.72
Other Current financial Asset	-	-	237.74			282.12
Other Non Current financial Asset	-	-	6,407.16			6,072.49
Total Financial Asset	**-**	**219.21**	**86,363.06**	**75.28**	**271.59**	**1,01,921.87**
Financial liabilities						
Trade and other payables	-	-	29,581.25	-	-	29,891.64
Other Current financial liabilities	11.09	-	14,427.97	-	-	15,658.41
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	12,896.58	-	-	14,453.01
Non Current Borrowings	-	-	11,666.59	-	-	5,634.53
Total Financial Liabilities	**11.09**	**-**	**68,572.39**	**-**	**-**	**65,637.59**

*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 company 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.

Includes investment in equity instruments of ₹ 29,528.17 lakhs previous year ₹ 36794.72 lakhs carried at cost less impairment.

Notes to the financial statements for the year ended March 31, 2019 - continued

34 Financial instruments – Fair values

Fair value Hierarchy

This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2019 (Refer note Below)	Level 1 ₹ in Lakhs	Level 2 ₹ in Lakhs	Level 3 ₹ in Lakhs	Total ₹ in Lakhs
Financial assets				
Financial investment at FVTPL				
Listed Equity Investment	-	-	-	-
Unquoted Investments			-	-
Financial investment at FVOCI				
Quoted Investments	-	-	-	-
Unquoted Investments	-	-	219.21	219.21
Total Financial Asset	-	-	219.21	219.21
Financial Liabilities				
Derivatives accounted at FVTPL	-	11.09	-	11.09
Total Financial Liabilities	-	11.09	-	11.09

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 2018 (Refer note Below)	Level 1 ₹ in Lakhs	Level 2 ₹ in Lakhs	Level 3 ₹ in Lakhs	Total ₹ in Lakhs
Financial assets				
Financial investment at FVTPL				
Listed Equity Investment	17.47	-	-	17.47
Unquoted Investments			57.81	57.81
Financial investment at FVOCI				-
Quoted Investments	3.22			3.22
Unquoted Investments			268.37	268.37
Total Financial Asset	20.69	-	326.18	346.87
Financial Liabilities				
Derivatives accounted at FVTPL	-	-	-	-
Total Financial Liabilities		-	-	-

Notes to the financial statements for the year ended March 31, 2019 - continued

34 Financial instruments – Fair values

Reconciliation of level 3 fair value measurement of financial Instruments

Particulars	Year End 31.03.2019	Year End 31.03.2018
	₹ in Lakhs	₹ in Lakhs
Opening Value of Fair Value	**326.18**	**235.11**
Fair value gain/(loss) recognised in statement of profit or Loss	(17.81)	17.81
Fair value gain/(loss) recognised in Other Comprehensive income	(89.16)	95.76
Purchases made during the year	-	40.00
Sales made during the year	-	(62.50)
Closing balance of fair value	**219.21**	**326.18**

Other comprehensive income for the year, includes the gain of ₹. Nil (Previous year :- ₹ 67.73 lakhs) on disposal of investment classified as fair value through OCI and the fair value of these investment on the date of sale was ₹. Nil (Previous year ₹. 3.67 lakhs). The board of directors decides on purchase/sales based on internal strategies.

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable Inputs	Relationship of unobservable Inputs to fair value
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- 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.
- The carrying amount of Trade receivables, Trade payables, cash and Cash Equivalents are considered to be the same as their Fair Values, due to their short term in nature.
- The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The company 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.

35 **Financial instruments – Financial risk management**

The Company's activities expose it to market risk , liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company , such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposure .

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables , financial assets measured at amortised cost	Aging analysis, Credit Rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowing and other liabilities	Rolling cash flow Forecast	Availability of committed credit lines and borrowing facilities
Market Risk- Foreign currency	Future commercial Transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow Forecasting Sensitivity analysis	Forward foreign currency Contracts Foreign currency option
Market Risk- Interest rate	Long-term borrowings at variable rate	Sensitivity analysis	Interest rate Swaps
Market Risk- Security prices	Investment in equity securities	Sensitivity analysis	Portfolio diversification

The Company's risk management is carried out by a Finance committee and Treasury team under policies approved by the board of directors. Treasury team identifies, evaluates and hedges financial risks in close co-operation with subject matter experts . The Board of directors periodically monitors the risk assessment.

Notes to the financial statements for the year ended March 31, 2019 - continued

35 Financial instruments – Financial risk management

(a) Credit risk

Credit risk arises from cash and cash equivalents , investments and deposits with banks, as well as credit exposures to customers including outstanding receivables.

The carrying amounts of financial assets represent the maximum credit risk exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Investments	29,747.38	37,141.59
Trade receivables	27,929.36	25,849.73
Cash and cash equivalents	2,537.62	8,973.57
Other bank balances	87.80	118.23
Loans	19,635.21	23,831.01
Other financial assets	6,644.90	6,354.61

Trade Receivables

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
India	26,447.06	23,975.33
Other regions	1,482.30	1,874.40
Total	27,929.36	25,849.73

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Ageing	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
0-1 Year	25,323.58	20,723.57
1-2 Year	724.21	2,461.09
2-3 Year	745.72	1,132.67
More Than 3 Yrs	1,135.85	1,532.40
Total	27,929.36	25,849.73
	-	-

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Opening Balance	1,038.63	449.91
Impairment loss recognised	94.20	588.72
Balance	1,132.83	1,038.63

Cash and cash equivalents

The Company held cash and cash equivalents of ₹ 2,537.62 Lakhs at March 31, 2019 (March 31, 2018: ₹ 8,973.57 lakhs). The cash and cash equivalents are held with bank ₹. 1,693.02 Lakhs (March 2018: ₹. 8,064.96 Lakhs)

35 **Financial instruments – Financial risk management**

(b) **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

Non-derivative financial liabilities	Contractual maturities of financial liabilities				
	On Demand ₹ In Lakhs	0- 1 year ₹ In Lakhs	1-5 years ₹ In Lakhs	> 5 years ₹ In Lakhs	Total ₹ In Lakhs
March 31, 2019					
Banks - Foreign currency denominated loans Including Interest	-	3,707.93	1,893.49	-	5,601.42
Banks - Long term loans Including Interest	-	-	10,394.25	4,118.96	14,513.21
Working capital loans from banks	12,896.58	-	-	-	12,896.58
Trade payables	-	29,581.25			29,581.25
Other Payable	-	10,731.13	-	-	10,731.13
March 31, 2018					
Banks - Foreign currency denominated loans Including Interest	-	5,835.83	5,753.32	-	11,589.15
Working capital loans from banks	14,453.01	-	-	-	14,453.01
Trade payables	-	29,891.64	-	-	29,891.64
Other Payable	-	9,822.58	-	-	9,822.58

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to non derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity.

The following table details the Company's liquidity analysis for its significant derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

Derivative financial liabilities	Contractual maturities of financial liabilities			
	0- 1 year ₹ In Lakhs	1-5 years ₹ In Lakhs	> 5 years ₹ In Lakhs	Total ₹ In Lakhs
March 31, 2019				
Gross settled:				
Currency Options	11.09	-	-	11.09
March 31, 2018				
Gross settled:				
Currency Options	-	-	-	-

35 **Financial instruments – Financial risk management**

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018

	As at 31 March 2019 USD in Lakhs	As at 31 March 2019 SGD in Lakhs	As at 31 March 2019 EUR in Lakhs	As at 31 March 2019 CHF in Lakhs
Financial assets				
Long-term loans and advances	-	-	246.95	0.87
Short-term loans and advances	14.00	-	0.11	-
Other Non-current financial assets	-	-	-	-
Trade and other receivables	17.66	-	-	-
	31.66	-	247.06	0.87
Financial liabilities				
Long term borrowings	-	-	23.98	-
Short term borrowings	-	-	-	-
Trade and other payables	9.57	-	4.07	-
Other Current financial liabilities	-	-	35.37	-
	9.57	-	63.42	-
Net Exposure	22.09	-	183.64	0.87

	As at 31 March 2018 USD in Lakhs	As at 31 March 2018 SGD in Lakhs	As at 31 March 2018 EUR in Lakhs	As at 31 March 2018 CHF in Lakhs
Financial assets				
Long-term loans and advances	30.40	34.30	246.95	0.87
Short-term loans and advances	1.26	-	0.29	-
Other Non-current financial assets	-	-	-	-
Trade and other receivables	20.44	-	3.54	-
	52.10	34.30	250.78	0.87
Financial liabilities				
Long term borrowings	-	-	70.57	-
Short term borrowings	-	-	-	-
Trade and other payables	23.18	-	5.85	-
Other Current financial liabilities	-	-	70.66	-
	23.18	-	147.08	-
Net Exposure	28.92	34.30	103.70	0.87

Derivative Financial Instruments
The Company 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 31 March 2019	As at 31 March 2018
	Notional Value Euro in Lakhs	Notional Value Euro in Lakhs
Foreign Currency Options	11.20	-
	Fair Value ₹ in Lakhs	Fair Value ₹ in Lakhs
	(11.09)	-

The following significant exchange rates have been applied .

	Year-end spot rate March 31, 2019	Year-end spot rate March 31, 2018
USD / INR	69.32	64.82
SGD / INR	51.13	49.38
EUR / INR	77.76	79.87
CHF / INR	69.64	67.89

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Effect in INR	Profit or (loss) Strengthening	Profit or (loss) Weakening
March 31, 2019	₹ in Lakhs	₹ in Lakhs
USD 5% movement	(76.57)	76.57
SGD 5% movement	-	-
EUR 10% movement	(713.97)	713.97
CHF 5 % movement	(3.03)	3.03
	(793.57)	793.57

Effect in INR	Profit or (loss) Strengthening	Profit or (loss) Weakening
March 31, 2018	₹ in Lakhs	₹ in Lakhs
USD 5% movement	(93.73)	93.73
SGD 5% movement	(84.69)	84.69
EUR 10% movement	(828.22)	828.22
CHF 5 % movement	(2.95)	2.95
	(1,009.59)	1,009.59

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

Notes to the financial statements for the year ended March 31, 2019 - continued

35 **Financial instruments – Financial risk management**

(c) (ii) Market Risk- Interest rate

The Exposure of the Company borrowing to interest rate changes at the end of the reporting period are as follow

Particulars	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Variable Rate Borrowing	15,287.48	11,248.59

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's:

i) profit for the year ended March 31, 2019 would decrease/increase by ₹.44.08 lakhs (2018: decrease/increase by ₹.67.27 lakhs). This is mainly attributable to the company’s exposure to interest rates on its variable rate borrowings;

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

35 **Financial instruments – Financial risk management**

(c) (iii) Market Risk- Security prices

(a) Exposure

The Company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.
The company's listed equity investments are included in the BSE Sensex index.

(b) Sensitivity

(i) The table below summarises the impact of increases/decreases of the index on the group's equity and profit for the period. The analysis is based on the assumption that the equity index had increased or decreased by 15% in 2018 with all other variables held constant and that all the companies equity instruments moved in line with the index.

	Impact on profit after tax		Impact on other components of equity	
	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs	31-Mar-19 ₹ in Lakhs	31-Mar-18 ₹ in Lakhs
BSE Sensex - (2018 - 15%)	-	2.62	-	0.48
BSE Sensex - (2018 - 15%)	-	(2.62)	-	(0.48)

Profit for the period would increase/decrease as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as fair value though other comprehensive income.

36 **Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	As at 31 March 2019 ₹ in Lakhs	As at 31 March 2018 ₹ in Lakhs
Current			
Financial Assets			
Trade Receivable	7	27,929.36	25,849.73
Inventories	13	22,517.63	26,005.07
Total Current assets pledged as security		50,446.99	51,854.80
Non-current			
Land - Freehold	3	315.21	315.21
Land - Leasehold	3	40.28	40.40
Buildings	3	6,499.92	6,722.99
Other Fixed Assets *	3	4,913.43	3,232.02
Brand / Trade Mark	17	-	-
Total Non Current assets pledged as security		11,768.84	10,310.62
Total assets pledged as security		**62,215.83**	**62,165.42**

* Other Fixed Assets as per note 3 includes moveable asset for employee benefits, which has not been pledged

37 Movement in deferred tax balances

Particulars	As at April 1, 2018	For the year 2018-19			As at March 31, 2019		
		Recognised in profit or loss	Recognised in OCI	Utilised against tax Payable	Net	Deferred tax asset	Deferred tax liability
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax asset							
Property, plant and equipment	(985.04)	(40.43)	-	-	(1,025.47)	-	(1,025.47)
Provisions	354.50	29.73	36.62	-	420.85	420.85	-
MAT Credit Entitlement	-	-	-	-	-	-	-
Amortisation of Processing fees	(15.05)	(57.60)	-	-	(72.65)	-	(72.65)
Expenses allowed on Payment	386.53	(60.01)	-	-	326.52	326.52	-
Deferred Tax Assets /(Liabilities)	**(259.06)**	**(128.31)**	**36.62**	**-**	**(350.75)**	**747.37**	**(1,098.12)**

Particulars	As at April 1, 2017	For the year 2017-18			As at March 31, 2018		
		Recognised in profit or loss	Recognised in OCI	Utilised against tax Payable	Net	Deferred tax asset	Deferred tax liability
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax asset							
Property, plant and equipment	(811.51)	(173.53)	-	-	(985.04)	-	(985.04)
Provisions	212.03	196.78	(54.31)	-	354.50	354.50	-
MAT Credit Entitlement	488.90	-	-	(488.90)	-	-	-
Amortisation of Processing fees	(29.77)	14.72	-	-	(15.05)	-	(15.05)
Expenses allowed on Payment	417.33	(30.80)	-	-	386.53	386.53	-
Deferred Tax Assets /(Liabilities)	**276.98**	**7.17**	**(54.31)**	**(488.90)**	**(259.06)**	**741.03**	**(1,000.09)**
	(211.92)						

Deferred Tax assets have not been recognised in respect of non current investments because it is not probable that future taxable profit would be available against which the Company can use the benefit there from.

38 Income Tax expense

(a) **Amounts recognised in profit and loss**

Particulars	For the year ended March 31, 2019 ₹ in Lakhs	For the year ended March 31, 2018 ₹ in Lakhs
Current income tax	1,781.71	2,101.96
Deferred tax expense	128.31	(7.17)
Tax expense for the year	1,910.02	2,094.79

(b) **Amounts recognised in other comprehensive income**

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(19.19)	6.71	(12.48)	(5.67)	1.96	(3.71)
Equity Instruments through Other Comprehensive Income	(89.16)	36.62	(52.54)	99.92	(54.31)	45.61
	(108.35)	43.33	(65.02)	94.25	(52.35)	41.90

(c) **Reconciliation of effective tax rate**

Particulars	For the year ended March 31, 2019 ₹ in Lakhs	For the year ended March 31, 2018 ₹ in Lakhs
Profit before tax	(28,454.58)	(11,375.22)
Tax using the Company's domestic tax rate (Current year 34.944% and Previous Year 34.608%)	(9,943.17)	(3,937.00)
Tax effect onexceptional item for which no deferred tax assets has been recognised	11,920.74	5,946.00
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	82.46	35.43
Tax effect of amounts which are Exempt in calculating taxable income	(223.88)	(52.13)
Round off/ others / Changes in Rates	73.87	102.49
	1,910.02	**2,094.79**

The Company's average tax rates for the years ended March 31, 2019 and 2018 were -6.69% and - 18.42%, respectively. Income tax expense was Rs.1910.02 Lakhs for the year ended March 31, 2019, as compared to income tax expense of Rs. Rs.2094.79 Lakhs for the year ended March 31, 2018.

MKB & Associates
Company Secretaries
SHANTINIKETAN | 5TH FLOOR | ROOM NO. 511 | 8, CAMAC STREET | KOLKATA-700 017
TEL : 91 - 33 - 2282 1348, 4602 3133/34 | E-mail : mbanthia2010@gmail.com

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
EUREKA FORBES LIMITED

Wehave conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **EUREKA FORBES 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 ouropinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on ourverification of the 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, wehereby report that in ouropinion, the Company has, during the audit period covering the financial year ended on 31stMarch, 2019generally 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:

Wehave examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019, to the extent applicable, according to the provisions of:

i) The Companies Act, 2013 (the Act) and the rules made thereunder;

ii) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;

iii) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies,the following laws/Acts are also, inter alia, applicable to the Company:

a) The Environment Protection Act, 1986
b) The Water (Prevention and Control of Pollution) Act, 1974
c) The Air (Prevention and Control of Pollution) Act, 1981
d) Hazardous (Waste Management and Handling) Rules
e) Industrial Disputes Act
f) Indian Registration Act
g) Trade Mark Act, 1999, Copyright Act
h) Legal Metrology Act 2009

Wehave also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

The Company being an unlisted company, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder, The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder and the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 are not applicable

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

We further report that

a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the

MKB & Associates Kolkata Company Secretaries

Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

b) 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.

c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

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

We further report thatduring the audit period, pursuant to order of Hon'ble Regional Director, Eastern Region under Section 233 of the Companies Act, 2013,Aquamall Water Solutions Limited, wholly-owned subsidiary has merged with the company.

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

For MKB & Associates
Company Secretaries

MKB & Associates Kolkata Company Secretaries

Manoj Kumar Banthia
[Partner]
ACS no. 11470
COP no. 7596
FRN: P2010WB042700

Date: 21.05.2019
Place: Kolkata

MKB & Associates
Company Secretaries
SHANTINIKETAN | 5TH FLOOR | ROOM NO. 511 | 8, CAMAC STREET | KOLKATA-700 017
TEL : 91 - 33 - 2282 1348, 4602 3133/34 | E-mail : mbanthia2010@gmail.com

Annexure- I

To
The Members,
EUREKA FORBES LIMITED

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

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

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

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

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

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For MKB & Associates
Company Secretaries

MKB & Associates
Kolkata
Company Secretaries

Manoj Kumar Banthia
[Partner]
ACS no. 11470
Date: 21.05.2019 COP no. 7596
FRN: P2010WB042700

Place: Kolkata

EURO FORBES FINANCIAL SERVICES LIMITED

(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements

For the Year ended March 31, 2019

Euro Forbes Financial Services Limited

Subsidiary of Eureka Forbes Limited

DIRECTORS

Marzin R Shroff
R.S.Moorthy
Vikram Surendran

PRINCIPAL BANKERS

State Bank of India

AUDITORS

Batliboi & Purohit

REGISTERED OFFICE

B1 / B2 , 7TH FLOOR, 701, MARATHON INNOVA
OFF GANPATRAO KADAM MARG
LOWER PAREL
MUMBAI - 400013

INDEPENDENT AUDITOR'S REPORT
To the Members of Euro Forbes Financial Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Euro Forbes Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act

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

i. The Company does not have any pending litigations that would impact its financial position ;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : 18th April, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) The Company does not have any Fixed Assets hence paragraph 3(i) of the order is not applicable.

(ii) The Company does not have any inventory hence paragraph 3(ii) of the order is not applicable.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the company.

(iv) The Company has not granted any Loans, made Investments, given Guarantees and Security under Section 185 and 186 of the Act. Thus paragraph 3(iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there are no dues of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues that have not been deposited by the Company on account of disputes:

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not borrowed any loans from banks, financial institution or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the Related Parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : 18th April, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

We have audited the Internal Financial Controls over financial reporting of Euro Forbes Financial services Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : 18th April, 2019

Euro Forbes Financial Services Limited

BALANCE SHEET AS AT 31ST MARCH, 2019

		Notes	As at March 31, 2019 ₹	₹	As at March 31, 2018 ₹	₹
	ASSETS					
	Non-current Assets					
(a)	Property, plant and equipment			-		-
(b)	Capital work-in-progress					
(c)	Intangible assets					
(i)	Goodwill					
(ii)	Others		-		-	
(iii)	Intangible assets under development			-		-
(d)	Financial assets					
(i)	Investments		-		-	
(ii)	Trade receivables		-		-	
(iii)	Loans		-		-	
(iv)	Other financial assets		-	-	-	-
(e)	Tax assets					
(i)	Deferred Tax Asset (Net)		-		-	
(ii)	Current Tax Asset (Net)		-	-	-	-
(f)	Other non-current assets			-		-
	Total Non-current Assets			-		-
	Current Assets					
(a)	Inventories			-		-
(b)	Financial assets					
(i)	Investments		-		-	
(ii)	Trade receivables		-		-	
(iii)	Cash and cash equivalents	3	2,53,150		2,85,551	
(iv)	Bank balances other than (iii) above		-		-	
(v)	Loans		-		-	
(vi)	Other financial assets		-	2,53,150	-	2,85,551
(c)	Income Tax Asset (Net)			-		-
(d)	Other current assets			-		-
				2,53,150		2,85,551
	Total Current Assets			2,53,150		2,85,551
	Total Assets			2,53,150		2,85,551

Euro Forbes Financial Services Limited

BALANCE SHEET AS AT 31ST MARCH, 2019

		Notes	As at March 31, 2019 ₹	₹	As at March 31, 2018 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	4	5,00,000		5,00,000	
(b)	Other Equity	5	(2,58,650)		(2,54,026)	
	Equity attributable to owners of the Company			2,41,350		2,45,974
	Total Equity			2,41,350		2,45,974
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Borrowings		-		-	
(ii)	Trade and other payables					
(iii)	Other financial liabilities		-	-	-	-
(b)	Provisions			-		-
(c)	Deferred tax liabilities (Net)					
(d)	Other non-current liabilities			-		-
	Total Non-current Liabilities			-		-
	Current liabilities					
(a)	Financial liabilities		-		-	
(i)	Borrowings		-		-	
(ii)	Trade and other payables		-		-	
(iii)	Other financial liabilities	6	11,800	11,800	39,577	39,577
(b)	Provisions			-		-
(c)	Current tax liabilities (Net)			-		-
(d)	Other current liabilities			-		-
	Total Current Liabilities			11,800		39,577
	Total Liabilities			11,800		39,577
	Total Equity and Liabilities			2,53,150		2,85,551
				-		-

Per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 33597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : 18 April 2019

Mumbai , Dated : 18 April 2019

Euro Forbes Financial Services Limited

Statement of Profit and Loss for the year ended 31st March, 2019

		Notes	Year 2018-19 ₹	Year 2017-18 ₹
I	Income			
	Revenue from Operations		-	-
	Other income	7	16,961	-
	Total Income		16,961	-
II	Expenses			
	Employee benefits expense		-	-
	Depreciation and amortisation expense		-	-
	Other expenses	8	21,585	27,577
	Total expenses		21,585	27,577
III	Profit / (loss) before exceptional items and tax		(4,624)	(27,577)
	Add/ (Less) : Exceptional items			
IV	Profit / Loss before tax		(4,624)	(27,577)
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax charge / (credit)		-	-
			-	-
V	Profit / Loss for the year		(4,624)	(27,577)
VIII	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss		-	-
B	Items that may be reclassified to profit or loss			
(a)	Income tax relating to items that may be reclassified to profit or loss		-	-
			-	-
	Total other comprehensive income (A + B)		-	-
	Total comprehensive income for the year (VII+VIII)		(4,624)	(27,577)
	Profit for the year attributable to:			
	- Owners of the Company		(4,624)	(27,577)
			(4,624)	(27,577)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		-	-
			-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(4,624)	(27,577)
			(4,624)	(27,577)
	Earnings per equity share	9		
	(1) Basic (in Rs.)		(0.09)	(0.55)
	(2) Diluted (in Rs.)		(0.09)	(0.55)

Per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 33597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : 18 April 2019

Mumbai , Dated : 18 April 2019

Euro Forbes Financial Services Limited

Cash Flow Statement for the year ended 31st March, 2019

	Year ended March 31, 2019		Year ended March 31, 2018	
	₹	₹	₹	₹
Cash flows from operating activities				
Profit for the year		(4,624)		(27,577)
Adjustments for:				
		(4,624)		(27,577)
Movements in working capital:				
Increase/ (Decrease) in Other Financial Liabilities	(27,777)		(27,726)	
Cash generated from operations		(32,401)		(55,303)
Less : Income taxes paid		-		-
Net cash generated by operating activities		(32,401)		(55,303)
Cash flows from investing activities				
Net Increase / (Decrease) in cash and cash equivalents		(32,401)		(55,303)
Cash and cash equivalents at the beginning of the year		2,85,551		3,40,854
Cash and cash equivalents at the end of the year		2,53,150		2,85,551
Net Increase / (Decrease) in cash and cash equivalents as disclosed above		(32,401)		(55,303)

Per our report attached For BATLIBOI & PUROHIT Chartered Accountants Firm Regn No. 101048W	Marzin R Shroff	Director (Din: 00642613)
Paresh Chokshi Partner Membership No. 33597	R S Moorthy	Director (Din: 02706251)
Mumbai , Dated : 18 April 2019	Mumbai , Dated : 18 April 2019	

Euro Forbes Financial Services Limited

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

a. Equity share capital	Amount Year ended March 31, 2019
Balance at April 1, 2017	5,00,000.00
Changes in equity share capital during the year	-
Balance at March 31, 2018	5,00,000.00
Changes in equity share capital during the year	-
Balance at March 31, 2019	5,00,000.00

B. Other Equity

	Attributable to owners of the Company	
	Reserves and surplus	
	Retained earnings	Total
	₹	₹
Balance at 1st April 2017	(2,26,449)	(2,26,449)
Profit / (loss) for the year	(27,577)	(27,577)
Total comprehensive income for the year	(27,577)	(27,577)
Balance at March 31, 2018	(2,54,026)	(2,54,026)
Profit / (loss) for the year	(4,624)	(4,624)
Total comprehensive income for the year	(4,624)	(4,624)
Transfer to retained earnings	-	-
Balance at March 31, 2019	(2,58,650)	(2,58,650)

Per our report attached For BATLIBOI & PUROHIT Chartered Accountants Firm Regn No. 101048W	Marzin R Shroff	Director (Din: 00642613)
Paresh Chokshi Partner Membership No. 33597	R S Moorthy	Director (Din: 02706251)
Mumbai , Dated : 18 April 2019	Mumbai , Dated : 18 April 2019	

Note 1: Basis of preparation of Financial statements

(a) Compliance with Indian Accounting Standards (Ind AS)

Theses financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules ,2015] and other relevant provisions of the Act.

(b) Use of estimates and judgements

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT /GST, credit notes issued for various schemes and volume rebates. Revenue is recognise when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Income from services are recognised once the services are rendered.

(b) Taxation

Income tax comprises current and deferred tax. It is recognised in profit and loss except to the extent that is relates to the business combination or to an item recognised directly in equity or in other comprehensive income.

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred income taxes are not provided on undistributed earnings of subsidiaries and joint ventures where it is expected that the earnings of the subsidiary and joint ventures will not be distributed in the forseeable future.

(c) Earnings per share

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

(d) Cash and cash equivalent

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short tem, highly liquid investment 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.

(e) Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company’s functional currency.

(f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

(g) Financial Instruments

Trade receivables are initially recognised at cost when they are originated and subsequenlty measured less porvision for impairment . All Other financial assets and liabilities are initially recognised when the company becomes a party to the contractual provisions of the instruments

(h) Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised

Financial Liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously

3. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
	₹	₹
Balances with Banks in current accounts	2,53,150	2,85,551
Cheques, drafts on hand	-	-
Cash on hand	-	-
Total Cash & Cash Equivalents	2,53,150	2,85,551

4. Equity Share Capital

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Equity share capital	5,00,000	5,00,000
Total	5,00,000	5,00,000
Authorised Share capital :		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
Issued and subscribed capital comprises:		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
	5,00,000	5,00,000

4.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2017	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2019	50,000	5,00,000

Fully paid equity shares have a par value of ₹.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at March 31, 2019	Fully paid ordinary shares As at March 31, 2018
Balance at the beginning of the period - Held by Eureka Forbes Limited	50,000	50,000
Total as at the end of the period	50,000	50,000

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

5. Other equity

Particulars	As at March 31, 2019 ₹	As at March 31, 2018 ₹
General reserve		
Balance at beginning of the year	-	-
Balance at end of the year	-	-
Retained earnings		
Balance at beginning of year	(2,54,026)	(2,26,449)
Add/ (less): Profit/ (loss) for the year	(4,624)	(27,577)
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	-	-
Balance at end of the year	(2,58,650)	(2,54,026)
Total	(2,58,650)	(2,54,026)

6. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 ₹	As at March 31, 2018 ₹	As at March 31, 2019 ₹	As at March 31, 2018 ₹
Provision for Expenses *			11,800	39,577
Total	-	-	11,800	39,577

* The amount of provision for expense in the current year ended 31st March 2019 is payable to MSME.

Euro Forbes Financial Services Limited

Notes to the financial statements for the year ended March 31, 2019 - continued

7. Other Income

Particulars	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
Excess Provision Written back	16,961	-
Total	16,961	-

8. Other expenses

Particulars	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
Payment to Auditors (Refer details Below)	18,172	18,982
Professional Fees	2,764	7,946
Other Establishment Expenses	649	649
Total	21,585	27,577

Payments to auditors	Year ended March 31, 2019	Year ended March 31, 2018
As auditor		
Audit fee	11,800	12,610
Tax audit fee	-	-
In other capacity		
For other services	6,372	6,372
For reimbursement of expenses		
	18,172	18,982

9. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended March 31, 2019 ₹	Year ended March 31, 2018 ₹
Profit / Loss for the year attributable to equity share holders	-4,624	-27,577
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	50,000	50,000
Basic and diluted earnings per share	(0.09)	(0.55)

10 The Company has not yet started commercial operations and hence there are no employees in the Company.

₹

11 There are no contingent Liabilities at the end of the year.

Per our report attached For BATLIBOI & PUROHIT Chartered Accountants Firm Regn No. 101048W	Marzin R Shroff	Director (Din: 00642613)
Paresh Chokshi Partner Membership No. 33597	R S Moorthy	Director (Din: 02706251)
Mumbai , Date : 18 April 2019	Mumbai , Date : 18 April 2019	

EURO FORBES LIMITED

(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements

For the Year ended December 31, 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF EURO FORBES LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **EURO FORBES LIMITED** (the "company"), which comprise the statement of financial position as at 31 December 2018, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of **EURO FORBES LIMITED** as at 31 December 2018, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter
We draw attention to the following notes to the financial statements:

i. Note 2 which states that the financial statements contain information about the company as an individual company and do not contain consolidated financial information as a parent of the group and

ii. Note 5 which states that investment in an overseas company is in the name of the parent shareholder company held in trust on behalf of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRS and with the implementing rules and regulations issued by the Jebel Ali Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER OF EURO FORBES LIMITED

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

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.

Report on Other Legal and Regulatory Requirements
Also, in our opinion, proper books of account have been kept by the company, and the information contained in the Directors' report relating to these financial statements is in agreement with the books of accounts. According to the information available to us there were no violations of the laws of Jebel Ali Free Zone Authority Offshore Companies Regulations or the Articles of Association of the company have occurred during the year, which would have had a material effect on the business of the company or on its financial performance.

CDShah

SHAH & ALSHAMALI ASSOCIATES Chartered Accountants P.O. Box 118787 Dubai - U.A.E.

Signed by:
C. D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates Chartered Accountants
4 May 2019
Dubai

EURO FORBES LIMITED

Statement of Financial Position
31-Dec-18

ASSETS	Notes	2018 US $	2018 INR	2017 US $	2017 INR
Non-current assets					
Investments	5	-	-	1,38,81,917	88,44,83,565
Loan to a subsidiary	6	-	-	2,74,98,899	1,75,20,86,850
		-	**-**	**4,13,80,816**	**2,63,65,70,415**
Current asset					
Loan to a subsidiary	6	1,39,63,264	96,96,00,674	-	-
Cash and cash equivalents	7	3,19,811	2,22,07,484	76,324	48,62,968
Total assets		**1,42,83,075**	**99,18,08,158**	**4,14,57,140**	**2,64,14,33,384**
EQUITY AND LIABILITIES					
Shareholder's funds					
Capital and reserves					
Share capital	8	2,76,96,526	1,84,18,67,477	1,13,32,767	72,67,77,833
Accumulated losses		(3,52,44,088)	(2,33,23,70,296)	(58,94,248)	(36,15,80,306)
Foreign Currency Translation Reserve			(3,35,95,358)		(1,86,83,377)
Shareholder's equity funds		**(75,47,562)**	**(52,40,98,177)**	**54,38,519**	**34,65,14,150**
Loan account	9	-	-	82,57,730	52,61,39,615
Total shareholder's funds		**(75,47,562)**	**(52,40,98,177)**	**1,36,96,249**	**87,26,53,766**
Non-current liabilities					
Term loan	10	-	-	1,90,00,000	1,21,05,81,200
Loan from a related party	11	-	-	24,04,889	15,32,27,022
		-	**-**	**2,14,04,889**	**1,36,38,08,222**
Current liabilities					
Term loan	10	1,90,00,000	1,31,93,48,600	60,00,000	38,22,88,800
Loan from a related party	11	25,00,160	17,36,09,610	-	-
Accruals		3,30,477	2,29,48,125	3,56,002	2,26,82,596
		2,18,30,637	**1,51,59,06,335**	**63,56,002**	**40,49,71,396**
Total liabilities		**2,18,30,637**	**1,51,59,06,335**	**2,77,60,891**	**1,76,87,79,618**
Total equity and liabilities		**1,42,83,075**	**99,18,08,158**	**4,14,57,140**	**2,64,14,33,384**

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EURO FORBES LIMITED

Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 US $	2018 INR	2017 US $	2017 INR
Revenue					
Interest income	13	11,63,603	7,99,67,220	13,79,867	8,91,36,028
Other income		-	-	10,250	6,62,125
Total revenue		**11,63,603**	**7,99,67,220**	**13,90,117**	**8,97,98,152**
Expenditure					
Provision for impairment	5	(2,88,58,091)	(1,93,69,95,130)	(2,50,000)	(1,61,49,388)
Finance charges	12 & 13	(16,18,515)	(11,12,30,501)	(19,29,014)	(12,46,09,578)
Administrative expenses		(36,837)	(25,31,579)	(1,26,154)	(81,49,239)
Total expenditure		**(3,05,13,443)**	**(2,05,07,57,210)**	**(23,05,168)**	**(14,89,08,205)**
Loss for the year		**(2,93,49,840)**	**(1,97,07,89,990)**	**(9,15,051)**	**(5,91,10,053)**
Other comprehensive income / (loss)		**-**	**-**	**-**	**-**
Total comprehensive loss for the year		**(2,93,49,840)**	**(1,97,07,89,990)**	**(9,15,051)**	**(5,91,10,053)**

EURO FORBES LIMITED

Statement of Cash Flows
for the year ended 31 December 2018

	Note	2018 USD	2018 INR	2017 USD	2017 INR
Cash Flow from Operating Activities					
Loss for the year		(2,93,49,840)	(1,97,07,89,990)	(9,15,051)	(5,91,10,053)
Adjustments for:					
Provision for Impairment		2,88,58,091	1,93,69,95,130	2,50,000	1,61,49,388
Interest Income		(11,63,603)	(7,99,67,220)	(13,79,867)	(8,91,36,028)
Finance Charges		16,18,515	11,12,30,501	19,29,014	12,46,09,578
Operating loss before working capital changes		**(36,837)**	**(25,31,579)**	**(1,15,904)**	**(74,87,114)**
Increase / (Decrease) in accruals		(3,268)	(2,24,589)	272	17,571
Net cash from / (used in) operating activities		**(40,105)**	**(27,56,168)**	**(1,15,632)**	**(74,69,543)**
Cash flow from investment activity					
Interest received		45,68,637	31,39,74,095	70	4,522
Proceeds / (payment) for investment in subsidiary		(1,49,76,174)	(1,02,92,19,587)	-	-
Net Cash from / (used in) investing activity		**(1,04,07,537)**	**(71,52,45,491)**	**70**	**4,522**
Cash Flow from financing activities					
Receipt / (payments of) loan to a subsidiary company		1,01,30,601	69,62,13,397	(5,77,000)	(3,72,72,786)
Payment of Term Loan		(60,00,000)	(41,23,42,800)	-	-
Receipts / (payment) of loan from a parent shareholder company		(82,57,730)	(56,75,02,585)	20,00,000	12,91,95,100
Finance Charges paid		(15,45,501)	(10,62,12,702)	(13,26,687)	(8,57,00,730)
Capital contributed by the parent shareholder company		1,63,63,759	1,12,45,79,701	-	-
Net Cash introduced from / (used in) financing activities		**1,06,91,129**	**73,47,35,011**	**96,313**	**62,21,584**
Effect of Foreign Exchange Translation		-	3,14,632	-	-
Net Increase / (Decrease) in cash and cash equivalents		**2,43,487**	**1,70,47,984**	**(19,249)**	**(12,43,437)**
Cash and cash equivalents at the beginning of the year		**76,324**	**51,59,500**	**95,573**	**64,02,937**
Cash and cash equivalents at the end of the year	**7**	**3,19,811**	**2,22,07,483**	**76,324**	**51,59,500**

Statement of Changes in Equity
for the year ended 31 December 2018

	Share capital US $	Share capital INR	Accumulated losses US $	Accumulated losses INR	Total US $	Total INR
As at 31 December 2016	**1,13,32,767**	**72,67,77,833**	**(49,79,197)**	**(30,24,70,253)**	**63,53,570**	**42,43,07,580**
Loss for the year	-		(9,15,051)	(5,91,10,053)	**(9,15,051)**	**(5,91,10,053)**
As at 31 December 2017	**1,13,32,767**	**72,67,77,833**	**(58,94,248)**	**(36,15,80,306)**	**54,38,519**	**36,51,97,527**
Contributed During the Year	1,63,63,759	1,12,45,79,701	-	-	**1,63,63,759**	**1,12,45,79,701**
Loss for the year	-	-	(2,93,49,840)	(1,97,07,89,990)	**(2,93,49,840)**	**(1,97,07,89,990)**
As at 31 December 2018	**2,76,96,526**	**1,84,18,67,477**	**(3,52,44,088)**	**(2,33,23,70,296)**	**(75,47,562)**	**(48,10,12,762)**

EURO FORBES LIMITED

Notes to the Financial Statements
for the year ended 31 December 2018

1 Legal status and activities

EURO FORBES LIMITED (the 'company") is an offshore company with limited liability, incorporated as per the laws of Jebel Ali Free Zone Offshore Companies Regulations 2003 under registration number 145214 with Eureka Forbes Limited as its sole shareholder. The registered address of the company is P O Box 118767, Dubai, U.A.E. and place of business is Suite 408, BB11, Bay Square, Business Bay, P.O. Box 118767, Dubai United Arab Emirates.

The company is incorporated to carry out general trading and investment holding globally. The company has invested in and advanced funds to its subsidiary company as described in notes 5 and 6.

2 Basis of preparation

Going concern

During the year ended 31 December 2018, the company has incurred loss of US$ 29,349,840 (INR 1,97,07,89,990 ; 2017: US$ 915,051 and INR 5,91,10,053) and has accumulated losses amounting to US$ 35,244,088 (INR 2,33,23,70,295.65 ; 2017: US$ 5,894,248 and INR 36,15,80,305.72) as of above date resulting in equity deficit of US$ 7,547,562 (INR 52,40,98,176.74). In addition, the current liabilities exceed the current assets by US $ 7,547,562 (INR 52,40,98,176.74) as of the above date mainly due to liability owed to a banker of US $ 19,000,000 (INR 1,31,93,48,600).

The company's subsidiary could not expand the business as was envisaged during the previous years. Further, provision for impairment of the investment in the subsidiary company during the year has significantly impacted the equity funds of the company, despite increase in the share capital during the year.

In order to overcome above position, the Board of Directors of the parent shareholder company, which assumes the company's ability to continue as a going concern, has decided a recapitalization program. The parent shareholder company has contributed funds for increasing the share capital towards the year end and since the date of financial position which has enabled the company to restore its equity funds and discharge liabilities owed to a banker and to a related party on loan account.

Considering above, the accompanying financial statements have been prepared on the basis that the company will continue as a going concern.

These financial statements contain information about the company as an individual company and do not contain consolidated financial information as the parent of a group. The company has availed itself exemption under IAS 27 "Separate Financial Statements" from the requirement to prepare consolidated financial statements as it, and its subsidiary are included by consolidation in the consolidated financial statements of the ultimate parent company.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting
Standards Board (IASB) and interpretations issued by the International Financial Reporting
Interpretations Committee (IFRIC) and the applicable requirements of Jebel Ali Free Zone
Authority.

Basis of measurement

The financial statements have been prepared under the historical cost basis.

Functional and presentation currency

The financial statements have been presented in US Dollars, being the functional and presentation currency of the company.

Use of estimates and judgements

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

Application of new and revised International Financial Reporting Standards (IFRS)

The company adopted the following standard and amendments which are effective for annual periods beginning on or after 1 January 2018:

IFRS 9 - Financial Instruments

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. For financial receivables, IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. For equity instruments, IFRS 9 now requires measurement of all financial assets at fair value and provides an irrevocable option to measure certain securities at FVOCI rather than through profit or loss. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and assets at FVOCI.

The adoption of this new standard has no material impact on the company's financial statements. Further, the company has not early adopted any other standard, interpretation or amendment that has been issued but are not yet effective.

3 Summary of significant accounting policies

The accounting policies adopted which are consistent with those of the previous year, except for new standard effective on 1 January 2018, in dealing with items that are considered material in relation to the financial statements are as follows:

Investment in subsidiaries and associates

A subsidiary is an entity that is controlled by the company. The company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are measured initially at cost and subsequently carried in the company's separate financial statements at cost less any accumulated impairment losses. Associates are entities in which the company has significant influence and which are neither subsidiary nor joint venture.

Investment in subsidiaries and associates are accounted for at cost less provision for impairment in value of the investments, if any. Dividend income is recognized in the statement of profit or loss and other comprehensive income when dividend is declared by the subsidiaries and associates out of the profits made subsequent to the date of acquisition

Financial instruments

Financial assets and financial liabilities are recognized when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognized when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred. Financial liabilities are de-recognized when, and only when, they are extinguished, cancelled or expired

Financial assets :

The financial assets comprise financial assets at amortized cost, comprising loan to a subsidiary and interest receivable and bank balance

i. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. Loans and receivables are initially measured at fair value and subsequently carried at amortized cost using effective interest method. The company assesses at the end of each reporting date whether there is objective evidence that the financial assets are impaired.

ii. Cash and cash equivalents

Cash and cash equivalents comprise bank balance in current accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities :

The company's financial liabilities comprise term loan, loan from a related party and accruals

i. Loans and borrowings

Loans and borrowings are initially recognized at fair value net of directly attributable transaction costs. Interest-bearing loans and borrowings are subsequently measured at amortized cost using effective interest method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

ii. Other payables

Liabilities are recognized for amounts to be paid in future for goods or services received, whether invoiced by the supplier or not.

Impairment of financial assets :

All financial assets, except for those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Impairment losses and reversals thereof are recognized in the statement of profit or loss and other comprehensive income.

Provisions

Provisions are recognized when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount can be reliably estimated. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable than an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Revenue recognition

Revenue is recognized to the extent that it is possible that the economic benefits will flow to the company and the revenue can be reliably measured.

i. Interest income

Revenue from interest income is recognized on accrual basis using the effective interest method.

Foreign currency transactions

Transactions in currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in currencies other than US Dollars are translated into US Dollars at the rate of exchange ruling at the date of statement of financial position. Resulting gain or loss is taken to the statement of profit or loss and other comprehensive income.

4 Significant judgment employed in applying accounting policies and key sources of estimation uncertainty

4.1 Significant judgment employed

The significant judgment made in applying accounting policies that has the most significant effect on the amounts recognized in the financial statements pertains to impairment.

At each reporting date, management conducts an assessment of investments and all financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

4.2 Key sources of estimation uncertainty

Key assumption made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is as follows:

Impairment of loans and receivables

The loss allowance for financial assets are based on assumptions about risk of default and expected credit loss rates. The company uses judgment 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. Any difference between the amounts actually collected in the future period and the amounts expected, will be recognized in the company's statement of profit or loss in that period. Since the date of statement of financial position, the loan amount along with interest receivable has been recovered in full, accordingly, no expected credit losses are recognized.

EURO FORBES LIMITED
Notes to the Financial Statements
for the year ended 31 December 2018

5.Investments
Investment in a subsidiary (A)

	Country of Incorporation	% of Ownership	2018 US $	2018 INR	2017 US $	2017 INR
Forbes Lux FZCO *	U. A. E.	99.42				
9 shares of AED 100,000 each (US $27,248 each) purchased at US$300,924 per share						
1,050 shares of AED 100,000 each (US $ 27,248 each) (previous year 500 shares of AED 100,000 each)						
			2,88,58,091	1,93,69,95,130	1,38,81,917	88,44,83,565
Provision for impairment			(2,88,58,091)	(1,93,69,95,130)	-	-
Carrying value as at 31 December			**-**	**-**	**1,38,81,917**	**88,44,83,565**

The principal activity of company is trading and distribution of water purifiers, filters and purifications devices, electrical and electronics appliances and related items and spare parts manufactured by an overseas related party and sourced from external/ third party vendors.

Investment in an overseas company (B)

			2018 US $	2018 INR	2017 US $	2017 INR
Econopure Water Systems LLC ~	USA		2,50,000	1,59,28,700	2,50,000	1,59,28,700
Provision for impairment		-	(2,50,000)	(1,59,28,700)	(2,50,000)	(1,59,28,700)
			-	-	-	-
Investment in an associate (C)						
Euro P2P Direct Thailand Co. Ltd. (@)	Thailand	49	-	-	-	-
			-	**-**	**1,38,81,917**	**88,44,83,565**

Carrying value as at 31 December as per unaudited accounts	-	8,572

	2018		2017	
	US $	**INR**	**US $**	**INR**
Total investments (A +B +C)	-	-	1,38,81,917	88,44,83,565
Share of net book value as at 31 December 2018				
Forbes Lux FZCO	94,57,586	65,67,29,097	29,06,918	18,52,13,669
Econopure Water Sysstems LLC	-	-	-	-
Euro P2P Direct Thailand Co. Ltd.	-	-	-	-
	94,57,586	**65,67,29,097**	**29,06,918**	**18,52,13,669**

* The principal activity of Forbes Lux FZCO is trading and distribution of water purifiers, filters and purifications devices, electrical and electronics appliances and related items and spare parts manufactured by an overseas related party and sourced from external/ third party vendors.

~ Investment in Econopure Water Systems LLC represents investment in series C preferred units in Econopure Water Systems LLC, USA in terms of an agreement between Econopure Water Systems LLC and Eureka Forbes Limited (the parent shareholder company) for the purpose of marketing, selling and servicing current products using DXV's technology "LFNano" and "point of use systems" on an exclusive basis in India by the parent shareholder company. The parent shareholder company shall have exclusive right to market, sell and service current products and systems within India using DXV technology "LFNano" and DXV POU technology. Econopure Water Systems LLC is a water technology company that, amongst other technologies, designs and sells residential, commercial and industrial membrane systems designed to mitigate the effects of membrane fouling.

(@) - During the year 2015, the company took over 49% stake in Euro P2P Direct Thailand Co. Ltd., an overseas company held by the related party of ultimate parent company at nil value as the investment was impaired in the earlier years.

The subsidiary company has incurred significant losses over the past few years and has deficit of equity of US$ 9,481,194 as at 31 December 2018. In addition, the subsidiary's long outstanding receivables amounting to US $ 31,280,968 are not expected to be realized in the near future and the company could not expand business as envisaged.
In view of the above, full provision against investment in the subsidiary is made in the accounts during the year.

6.Loan to a subsidiary

This represents unsecured and 6% - 7.5% interest bearing loan together with interest accrued thereon advanced to Forbes Lux FZCO, a subsidiary company to meet with its investments, working capital and general corporate requirements which is repayable on demand after period of three years from the first draw down.

Movements in the loan to a subsidiary and interest receivable accounts were as follows:

	2018 USD	2018 INR	2017 USD	2017 INR
Loan to a subsidiary				
Opening balance	2,29,30,601	1,59,22,87,175	2,23,53,601	1,42,42,55,217
Funds advanced/(withdrawn) - net	(1,01,30,601)	(70,34,62,855)	5,77,000	3,67,63,440
Closing balance	**1,28,00,000**	**88,88,24,320**	**2,29,30,601**	**1,46,10,18,657**
Interest receivable				
Opening balance	45,68,298	31,72,19,872	31,88,501	20,31,54,704
Charge for the year	11,63,264	7,99,43,922	13,79,797	8,79,13,490
Interest received during the year	(45,68,298)	(31,72,19,872)	-	-
Closing balance	**11,63,264**	**8,07,76,354**	**45,68,298**	**29,10,68,193**
	1,39,63,264	**96,96,00,674**	**2,74,98,899**	**1,75,20,86,850**

7.Cash and cash equivalents
This represents balance in current accounts with a bank.

8.Share capital

	2018 US $	2018 INR	2017 US $	2017 INR
Authorized capital				
361,000 shares of nominal value of AED 1,000 each	9,83,65,123		3,56,94,823	
(previous year 131,000 shares of AED 1,000 each)				
(Converted @ 1 US $ =AED 3.67)				
Issued and paid-up capital				
169,265 shares of nominal value of AED 1,000 each *	2,76,96,526	1,84,18,67,477	1,13,32,767	72,67,77,833
(previous year 41,615 shares of AED 1,000 each)				
(Converted @ 1 US $ =AED 3.672)				

* 127,650 shares issued at discounted rate of AED 475 each as against par value of AED 1,000 each.

Since the date of financial statements, the issued and paid up share capital has been increased. to US $ 51,294,294 (representing 357,765 shares of AED 1,000 each).

9.Loan account
This represents unsecured interest bearing loan together with accrued interest thereon from Eureka Forbes Limited, the parent shareholder company. The loan amount is utilized to meet with the working capital requirements of the subsidiary company and pay current year's interest charge on the term loan from a bank. The loan carries interest calculated at prime Indian bank lending rate. The loan is repayable on demand after period of three years from the first draw down.

Movements in the loan from parent shareholder company and interest payable accounts were as follows:

	2018 USD	2018 INR	2017 USD	2017 INR
Loan from a parent shareholder company				
Opening balance	57,07,470	36,36,50,310	37,07,470	23,62,20,710
Additional loan	(57,07,470)	(36,36,50,310)	20,00,000	12,74,29,600
Closing balance	**-**	**-**	**57,07,470**	**36,36,50,310**
Interest payable				
Opening balance	25,50,260	16,24,89,306	22,45,292	14,30,58,331
Charge for the year	1,37,240	95,29,863	3,04,968	1,94,30,975
Payment for the year	(26,87,500)	(17,20,19,169)		
Closing balance	**-**	**-**	**25,50,260**	**16,24,89,306**
	-	**-**	**82,57,730**	**52,61,39,615**

10.Term loan

This represents term loan availed from a bank for business expansion of the company's subsidiary in the year 2014. The loan amount is secured against the corporate guarantee of the parent shareholder company, carries interest rate of LIBOR plus 385 bps per annum.

Since the date of financial position, term loan has been fully paid and the company has obtained no liability letter from bank on 28 March 2019. Hence, classified as current liability

11.Loan from a related party

This represents unsecured, 4.5% p.a. (previous year 12.5% p.a.) interest bearing loan of US $ 2,019,275 and accrued interest thereon of US $ 480,885 from Forbes Lux International AG, fellow subsidiary company, to meet with the working capital requirement, repayable by 31 December 2020 or such other time as may be mutually agreed between the parties.

Since the date of statement of financial position, loan from a related party has been repaid in full and hence classified as current liability.

12.Finance charges

	2018 USD	2018 INR	2017 USD	2017 INR
Interest on shareholder's loan	1,37,240	94,31,654	3,04,968	1,97,00,186
Interest on loan from related parties	95,271	65,47,385	2,88,409	1,86,30,515
Interest on term loan	13,84,860	9,51,72,842	13,34,362	8,61,96,516
Bank charges	1,144	78,620	1,275	82,362
	16,18,515	**11,12,30,501**	**19,29,014**	**12,46,09,578**

13.Related party transactions and balances

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party as contained in the International Accounting Standard - 24.

Related parties are the parent shareholder company, subsidiary company, associate company, fellow subsidiary company and directors as under:

Eureka Forbes Limited, India	Parent shareholder company
Forbes Lux FZCO, Dubai, UAE	Subsidiary
Euro P2P Direct Thailand Co. Ltd., Thailand	Associate
Forbes Lux International AG, Switzerland	Fellow subsidiary
Rajagopalan Sambamoorthy	Director
Sunil Dhondiram Uphale	Director

As at the date of statement of financial position, balances and significant transactions during the year with related parties were as follows:

		Parent shareholder company USD Dr/(Cr)	**Fellow Subsidiary USD Dr/(Cr)**	**subsidiary USD Dr/(Cr)**	**Total USD Dr/(Cr)**
Balances:					
Loan account	2018	-	-	-	-
	2017	(82,57,730)	-	-	(82,57,730)
Loan from a related party	2018	-	-	(25,00,160)	(25,00,160)
	2017	-	-	(24,04,889)	(24,04,889)
Investment in a subsidiary	2018	-	2,88,58,091	-	2,88,58,091
	2017	-	1,38,81,917	-	1,38,81,917
Loan to a subsidiary	2018		1,28,00,000		1,28,00,000
	2017	-	2,29,30,601	-	2,29,30,601
Interest receivable from a subsidiary	2018		11,63,264		11,63,264
	2017	-	45,68,298	-	45,68,298
Transactions:					
Provision For Impairment	2018	-	2,88,58,091	-	2,88,58,091
	2017	-	-	-	-
Interest income	2018	-	(11,63,264)	-	(11,63,264)
	2017	-	(13,79,797)	-	(13,79,797)
Interest expenses	2018	1,37,240	-	95,271	2,32,511
	2017	3,04,968	-	2,88,409	5,93,377

The parent shareholder company has given a corporate guarantee to the bank for term loan of US $ 25,000,000. The company also receives and provides interest bearing loans from / to the related parties as and when required to meet their requirements.

14 Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally loan to the subsidiary, bank balance and interest receivable.

The loan to a subsidiary is fully recovered subsequent to date of statement of financial position and hence no impairment is considered necessary. The company's bank balance in current accounts are placed with a high credit quality financial institution. Financial liabilities comprises of bank borrowing, loan from a related party and accruals. The parent shareholder company has agreed to introduce additional capital to meet with the commitments as and when they fall due.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due.

The company is currently financed from shareholder's equity, loan from parent shareholder company and bank borrowings. Ultimate responsibility for liquidity risk management rests with the ultimate parent company, which has resolved to inject funds by way of share capital for the management of short, medium and long-term funding and liquidity requirements

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

i. Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. To measure and manage interest rate risk and its possible impact on economic value of the company, the company has taken pre-approved Loan Equivalent Risk facility from a bank. Loan to a subsidiary are at rates decided by the management from time to time. Loan from a related party is at fixed interest rate.

ii. Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or U.A.E. Dirhams to which US Dollar rate is pegged

	2018		**2017**	
	Equivalent US$	**INR**	**Equivalent US$**	**INR**
Foreign currency financial liability:				
Loan from a related party EURO	25,00,160	17,36,09,610	24,04,889	15,32,27,021

15 Financial instruments: Fair values

The fair values of the company's financial assets, comprising loan to a subsidiary, interest receivable, bank balance, and financial liabilities, comprising term loan, unsecured loan from a related party and accruals, approximate to their carrying values.

16 Capital management

The capital structure of the company comprises net debt (interest bearing borrowings offset by bank balances and cash) and equity of the company comprising issued and paid up capital and loan account of parent shareholder company. In order to maintain capital adequacy, the parent shareholder company has decided to introduce additional funds in the company as and when required.

17 Contingent liabilities and capital commitments

There were no contingent liabilities and capital commitments outstanding as at the date of statement of financial position.

18 Comparative figures

Previous year's figures have been regrouped/ reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification do not affect the previously reported profit, net assets or equity of the company.

19 Approval of the financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 4 May 2019.

FORBES BUMI ARMADA LIMITED

(Subsidiary Company of Forbes Campbell Finance Limited)

Financial Statements

For the year ended March 31, 2019

Independent auditor's report

To the Members of Forbes Bumi Armada Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Forbes Bumi Armada Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the 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 financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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.

Other Information

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

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

   We have nothing to report in this regard.

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

5. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

9. 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.

10. 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.

Report on other legal and regulatory requirements

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

12. As required by Section 143(3) of the Act, we report that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
    d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
    g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2019 on its financial position in its financial statements;
        ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2019;
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019;
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Piyush Jalandhara
Partner
Membership Number: 122351

Mumbai
May 13, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Forbes Bumi Armada Limited on the financial statements as of and for the year ended March 31, 2019

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

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The Company does not own any immovable properties as disclosed in Note 3 on fixed assets to the financial statements. Therefore, the provisions of Clause 3(i)(c) of the said Order are not applicable to the Company.

ii. The Company is in the business of rendering services, and consequently, does not hold any inventory. Therefore, the provisions of Clause 3(ii) of the said Order are not applicable to the Company.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

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

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, profession tax, service tax, and goods and service tax, as applicable, with the appropriate authorities.
Also refer note 29 to the 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, the particulars of dues of income tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where th e dispute is pending
The Income Tax Act , 1961	Income Tax	3,093,114	Financial Year 2009-10	Commissioner of Income Tax (Appeals)

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

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

xi. There is no managerial remuneration as per the provisions of Section 197 read with Schedule V to the Act. Accordingly, the provisions of Clause 3(xi) of the Order are 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 provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.

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

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

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

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

Piyush Jalandhara
Partner
Membership Number: 122351

Mumbai
May 13, 2019

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(f) of the Independent Auditors' Report of even date to the members of Forbes Bumi Armada Limited on the financial statements for the year ended March 31, 2019

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Piyush Jalandhara
Partner
Membership Number: 122351

Mumbai
May 13, 2019

Forbes Bumi Armada Limited
Financial Statements – March 31, 2019

Financial statements

- the Balance Sheet as at March 31, 2019,
- Statement of Profit and Loss for the year ended March 31, 2019,
- Statement of Changes in Equity for the year ended March 31, 2019,
- Statement of Cash flows for the year ended March 31, 2019,
- Notes comprising significant accounting policies and other explanatory information,
- Comparative information in respect of preceding year ended March 31, 2019.

Background
Forbes Bumi Armada Limited (the 'Company') is a joint venture between Forbes Campbell Finance Limited and Bumi Armada (Singapore) Pte. Limited. Refer Note 10(a) for shareholding details. The Company has been granted a Recruitment and Placement License from the Director General Shipping and accordingly provides manning services.

The Company is incorporated and domiciled in India. The registered address of the Company is Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400001.

These financial statements were approved by the board of directors on May 13, 2019.

1. Significant Accounting Policies

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments) that are measured at fair value;

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

The assets and liabilities reported in the balance sheet are classified on a "current/non-current basis", with separate reporting of assets held for sale and liabilities. Current assets, which include cash and cash equivalents, are assets that are intended to be realised, sold or consumed during the normal operating cycle of the Company or in the 12 months following the balance sheet date; current liabilities are liabilities that are expected to be settled during the normal operating cycle of the Company or within the 12 months following the close of the financial year.

(iii) New and amended Standards adopted by the Company

The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 April 2018:

- Ind AS 115, Revenue from Contracts with Customers

- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates

- Amendment to Ind AS 12, Income Taxes

The company had to change its accounting policies following the adoption of Ind AS 115. This is disclosed in note 29. The other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee, which is the functional and presentation currency of the Company.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. These gains/ (losses) are presented in the Statement of Profit and Loss on a net basis within other gains/ (losses).

(c) Revenue recognition

The Company earns revenue from providing manning services. Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those services.

The Company raises monthly invoice toward manpower charges and other allied charges as and when due based on the terms of the contract as at the year end, the unbilled amounts are disclosed as "unbilled revenue". The Service income represents markup-up earned on support services provided to customers.

Revenue from manning services and support services is provided over the period of time, where it is received and consumed simultaneously by the customers and accordingly revenue is recognized over the period of performance and in the accounting period in which the services are rendered.

(d) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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 is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(e) Leases

As a lessee

Leases where the Company has substantially transferred all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

(f) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(g) 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.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(i) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) 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.

(v) Income recognition

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(j) Property, plant and equipment

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives which is as prescribed under Schedule II of the Companies Act, 2013, as follows:

Assets	Useful life
Computer Hardware	3 years
Office Equipment	5 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/ (losses).

(k) Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation. Intangible assets are amortised on a straight line basis over their estimated useful lives. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss. The amortisation rates used are:

Asset	Useful life
Computer Software	6 years

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(m) Provisions and contingent liabilities

Provisions: Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

In case some or all of the expenditure required to settle the provision is virtually certain to be reimbursed by another party, the reimbursement is recognised as a separate asset. In the Statement of Profit and Loss, the expense related to the provision is presented net of the amount recognized for the reimbursement.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

(n) Employee benefits

(i) Short-term obligations

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 amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plan such as gratuity
(b) defined contribution plans such as provident fund

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity 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 annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR 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 profit or loss as past service cost.

Defined contribution plan

The Company pays provident fund contributions to publically administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contributions plans and the contributions are recognised as employee benefits expense when they are due.

(o) Contributed Equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(p) Dividends

Provision is made for the amount of any dividend declared, been appropriately authorized 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.

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

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

- the after 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.

(r) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest hundreds as per the requirement of Schedule III, unless otherwise stated.

(s) Recent accounting pronouncements - Standards issued but not yet effective

The Ministry of Corporate Affairs ("MCA") notified Ind AS 116, the new leases accounting standard, and certain other amendments to Indian Accounting Standards (Ind AS) on March 30, 2019, to be effective from reporting periods beginning April 01, 2019.

(a) Ind AS 116, Leases

This standard will replace the current guidance in Ind AS-17, Leases.

Under Ind AS 116, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Ind AS 116 will affect primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term and low-value leases.

The statement of profit and loss will also be affected because the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation, so key metrics like EBITDA will change. Operating cash flows will be higher as repayments of the lease liability and related interest are classified within financing activities.

The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease.

The company is in process of assessing the impact of the standard on the financial position, results of operation and cash flow.

(b) Appendix C, Uncertainty over Income Tax Treatments, to Ind AS 12, 'Income Taxes'

The appendix explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. These amendments will be applicable on or after 1 April 2019. In particular, it discusses:

- how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;
- that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;
- that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Company do not expect to have a material impact on its financial statement pursuant to the aforesaid amendment.

(c) Plan Amendment, Curtailment or Settlement – Amendments to Ind AS 19, 'Employee Benefits'

The amendments to Ind AS 19 clarify the accounting for defined benefit plan amendments, curtailments and settlements. They confirm that entities must:

- calculate the current service cost and net interest for the remainder of the reporting period after a plan amendment, curtailment or settlement by using the updated assumptions from the date of the change;

- any reduction in a surplus should be recognised immediately in profit or loss either as part of past service cost, or as a gain or loss on settlement. In other words, a reduction in a surplus must be recognised in profit or loss even if that surplus was not previously recognized because of the impact of the asset ceiling; and

- separately recognise any changes in the asset ceiling through other comprehensive income.

These amendments will apply to any future plan amendments, curtailments, or settlements of the group on or after 1 April 2019.

The Company do not expect to have a material impact on its financial statement pursuant to the aforesaid amendment.

(d) Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the financial statements.

(e) Other standards, changes in standards and interpretation

There are no other standards, changes in standards and interpretations that are not in force that the Company expects to have a material impact arising from its application in its financial statements.

2. Critical Estimates and Judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal actual results. There are no critical estimates and judgements ascertained by the management that may materially impact the results of the financial statements.

Forbes Bumi Armada Limited
Balance Sheet as at March 31, 2019
(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	1,740.56	2,966.31
Intangible assets	4	1,065.71	1,527.28
Financial assets			
i. Loans	5(c)	29,303.48	52,942.05
ii. Other financial assets	5(e)	11,542.09	10,759.18
Deferred tax assets (net)	6	25,266.76	36,807.92
Current tax assets (net)	7	1,09,436.80	79,124.65
Other non-current assets	8	7,597.74	8,394.26
Total non-current assets		1,85,953.14	1,92,521.65
Current assets			
Financial assets			
i. Investments	5(a)	10,93,632.49	4,74,696.85
ii. Trade receivables	5(b)	1,85,958.45	8,03,662.52
iii. Loans	5(c)	3,306.94	430.33
iv. Cash and cash equivalents	5(d)	1,23,334.52	27,467.55
v. Other financial assets	5(e)	9,37,830.00	8,03,300.00
Other current assets	9	17,805.92	8,349.55
Total current assets		23,61,868.32	21,17,906.81
Total assets		**25,47,821.46**	**23,10,428.45**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10(a)	5,50,000.00	5,50,000.00
Other equity			
Reserves and surplus	10(b)	7,27,811.24	5,04,276.08
Total equity		12,77,811.24	10,54,276.08
LIABILITIES			
Non-current liabilities			
Employee benefits obligations	11	1,285.91	863.28
Other non-current liabilities	12	-	3,650.04
Total non current liabilities		1,285.91	4,513.32
Current liabilities			
Financial liabilities			
i. Trade payables			
a. total outstanding dues of micro and small enterprises		-	-
b. total outstanding dues other than (ia) above	13(a)	53,791.24	44,432.11
ii. Other financial liabilities	13(b)	10,56,914.03	9,57,501.00
Employee benefits obligations	11	153.51	87.23
Other current liabilities	14	1,57,865.53	2,49,618.71
Total current liabilities		12,68,724.31	12,51,639.05
Total equity and liabilities		**25,47,821.46**	**23,10,428.45**

The above balance sheet should be read in conjunction with the accompanying notes.

Forbes Bumi Armada Limited

Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	15	54,37,923.31	54,71,263.24
Other income	16	68,605.09	33,264.50
Total income		**55,06,528.40**	**55,04,527.74**
Expenses			
Employee benefits expense	17	51,30,785.31	51,63,848.89
Depreciation and amortisation expense	18	1,829.21	2,120.85
Other expenses	19	1,16,968.65	1,12,271.63
Finance costs	20	17.77	17.17
Total expenses		**52,49,600.94**	**52,78,258.54**
Profit before tax		**2,56,927.46**	**2,26,269.20**
Income tax expense	21		
- Current tax		80,000.00	1,05,797.67
- Prior year written back (Net)		(58,167.30)	(84,605.73)
- Deferred tax		11,546.29	92,827.75
Total tax expense		**33,378.99**	**1,14,019.69**
Profit for the year		**2,23,548.47**	**1,12,249.51**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations (net)	11	(18.44)	69.26
Income tax relating to above	21	5.13	(22.90)
Other comprehensive income for the year		**(13.31)**	**46.36**
Total comprehensive income for the year		**2,23,535.16**	**1,12,295.87**
Earnings per equity share (Face value per share Rs. 10)			
Basic and Diluted	26	4.06	2.04

The above statement of profit and loss should be read in conjunction with the accompanying notes.

Forbes Bumi Armada Limited
Statement of cash flows for the year ended March 31, 2019
(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow (used in)/ from operating activities			
Profit before income tax		**2,56,927.46**	**2,26,269.20**
Adjustments for:			
Depreciation and amortisation expense	18	1,829.21	2,120.85
Dividend income	16	(49,113.80)	(20,854.01)
Fair value gain on Mutual Fund Investment	16	(221.84)	(442.83)
Interest income	16	(870.23)	(941.41)
Rent expenses on financial assets at amortised cost		18,175.92	7,028.88
Unwinding Interest	16	(19,987.87)	(6,938.21)
		2,06,738.85	**2,06,242.47**
Movements in working capital:			
(Increase)/decrease in trade receivables		6,17,704.07	(4,72,062.07)
Decrease/(Increase) in Other financial assets		(1,38,189.52)	40,246.84
(Increase)/decrease in Other current assets		(9,456.37)	4,081.16
Increase/(decrease) in Other current liabilities		(91,753.18)	1,01,296.01
Increase in other current financial liabilities		1,22,102.48	1,31,332.60
Increase in employee benefits obligations		465.34	403.72
Increase/(decrease) in trade payables		9,359.13	(17,352.85)
Cash generated used in/from operating activities		**7,16,970.80**	**(5,812.12)**
Income taxes paid (net of refunds)		(52,144.85)	(37,942.32)
Net cash (outflow)/inflow from operating activities (A)		**6,64,825.95**	**(43,754.44)**
Cash flows (used in)/ from investing activities			
Payments for acquisition of property, plant and equipment	3	(141.89)	(60.95)
Proceeds from sale of investments		8,55,400.00	6,00,600.00
Purchase of Investment		(14,74,113.80)	(10,74,853.99)
Dividend received	16	49,113.80	20,854.01
Interest received	16	782.91	416.02
Net cash inflow used in/from investing activities (B)		**(5,68,958.98)**	**(4,53,044.91)**
Net increase/ (decrease) in cash and cash equivalents (A+B)		**95,866.97**	**(4,96,799.35)**
Cash and cash equivalents at the beginning of the financial year		27,467.55	5,24,266.90
Cash and cash equivalents at end of the year	5(d)	**1,23,334.52**	**27,467.55**
Cash and cash equivalents comprise of :			
Cash on hand		7.83	447.39
Balance with Banks			-
In current accounts		1,23,326.69	27,020.16
		1,23,334.52	**27,467.55**

The above statement of cash flows should be read in conjunction with the accompanying notes.

Forbes Bumi Armada Limited
Statement of changes in equity
(All amounts in Rs. hundreds, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at April 01, 2017		5,50,000.00
Changes in equity share capital	10(a)	-
As at March 31, 2018		5,50,000.00
Changes in equity share capital	10(a)	-
As at March 31, 2019		**5,50,000.00**

B. Other equity

		Reserves and Surplus		
		Retained earnings	**Other Comprehensive Income**	**Total**
Balance as at April 01, 2017	10(b)	3,91,131.98	848.23	3,91,980.21
Profit for the year		1,12,249.51	-	1,12,249.51
Other Comprehensive Income for the year		-	46.36	46.36
Total Comprehensive Income for the year		**1,12,249.51**	**46.36**	**1,12,295.87**
Balance as at March 31, 2018		**5,03,381.49**	**894.59**	**5,04,276.08**
Balance as at April 01, 2018	10(b)	5,03,381.49	894.59	5,04,276.08
Profit for the year		2,23,548.47	-	2,23,548.47
Other Comprehensive Income for the year		-	(13.31)	(13.31)
Total Comprehensive Income for the year		**2,23,548.47**	**(13.31)**	**2,23,535.16**
Balance as at March 31, 2019		**7,26,929.96**	**881.28**	**7,27,811.24**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

3. Property, plant and equipment

Particulars	Office equipment	Computers	Total
Year ended March 31, 2018			
Gross carrying amount			
Opening gross carrying amount	6,184.02	2,519.13	8,703.15
Additions	-	60.95	60.95
Closing gross carrying amount	**6,184.02**	**2,580.08**	**8,764.10**
Accumulated depreciation			
Opening accumulated depreciation	1,991.96	2,146.55	4,138.51
Depreciation charge during the year	1,225.75	433.53	1,659.28
Closing accumulated depreciation	**3,217.71**	**2,580.08**	**5,797.79**
Net carrying amount	**2,966.31**	**-**	**2,966.31**
Year ended March 31, 2019			
Gross carrying amount			
Opening gross carrying amount	6,184.02	2,580.08	8,764.10
Additions	-	141.89	141.89
Disposals	(63.00)	-	(63.00)
Closing gross carrying amount	**6,121.02**	**2,721.97**	**8,842.99**
Accumulated depreciation			
Opening accumulated depreciation	3,217.71	2,580.08	5,797.79
Depreciation charge during the year	1,225.75	141.89	1,367.64
Disposals	(63.00)	-	(63.00)
Closing accumulated depreciation	**4,380.46**	**2,721.97**	**7,102.43**
Net carrying amount	**1,740.56**	**-**	**1,740.56**

4. Intangible assets

Particulars	Computer Software
Year ended March 31, 2018	
Gross carrying amount	
Opening gross carrying amount	2,883.00
Closing gross carrying amount	**2,883.00**
Accumulated amortisation	
Opening accumulated amortisation	894.15
Amortisation charge for the year	461.57
Closing accumulated amortisation	**1,355.72**
Net carrying amount	**1,527.28**
Year ended March 31, 2019	
Gross carrying amount	
Opening gross carrying amount	2,883.00
Disposals	(120.00)
Closing gross carrying amount	**2,763.00**
Accumulated amortisation	
Opening accumulated amortisation	1,355.72
Amortisation charge for the year	461.57
Disposals	(120.00)
Closing accumulated amortisation	**1,697.29**
Net carrying amount	**1,065.71**

5. Financial assets

		As at March 31, 2019	As at March 31, 2018
5(a)	**Current investments**		
	Investment in mutual funds		
	Unquoted		
	291643.99 (Previous Year: 208124) Units in Aditya Birla Capital Mutual Fund - Cash plus daily dividend plan Reinvestment	2,92,346.85	2,08,689.90
	115507.34 (Previous Year: 263839) Units in ICICI Prudential Mutual Fund - Liquid plan daily dividend	1,15,723.69	2,64,383.67
	33601.64 (Previous Year : 80) Units in HDFC Liquid Fund - Dividend daily reinvest	3,42,676.29	814.84
	23628.44 (Previous Year : 48) Units in SBI -Magnum Liquid Fund Regular Daily Dividend	2,37,052.31	-
	6315.76 (Previous Year : Nil) Units in SBI -Magnum Ultra Short Duration Fund Regular Daily Dividend	1,05,833.35	808.44
	Total (mutual funds)	10,93,632.49	4,74,696.85
	Total current investments	**10,93,632.49**	**4,74,696.85**
	Aggregate amount of unquoted investments	10,93,632.49	4,74,696.85
5(b)	**Trade receivables**		
	Trade receivables from related parties (Refer note 25)	1,85,958.45	8,03,662.52
	Total receivables	**1,85,958.45**	**8,03,662.52**
	Current portion	1,85,958.45	8,03,662.52
	Non-current portion	-	-
	Break-up of security details		
	Trade receivables considered good - Unsecured	1,85,958.45	8,03,662.52
	Total	**1,85,958.45**	**8,03,662.52**

5(c) Loans

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Security deposits	3,306.94	29,303.48	430.33	52,942.05
	3,306.94	**29,303.48**	**430.33**	**52,942.05**

5(d) Cash and cash equivalents

Balances with banks		
in current accounts	1,23,326.69	27,020.16
Cash on hand	7.83	447.39
Total cash and cash equivalents	**1,23,334.52**	**27,467.55**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

5(e) Other financial assets

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Long term deposits with banks with the maturity more than 12 months (held as lien against bank guarantee)	-	11,542.09	-	10,759.18
Unbilled revenue (Refer note 25)	9,37,830.00	-	8,03,300.00	-
Total other financial assets	**9,37,830.00**	**11,542.09**	**8,03,300.00**	**10,759.18**

6. Deferred tax assets

	As at March 31, 2019	As at March 31, 2018
Tax effect of items constituting deferred tax assets		
Disallowances under Section 40(a)(ia), 40A(7) and 43B of the Income Tax Act, 1961	25,021.15	37,510.14
Timing difference between book balance and balance as per Income Tax Act, 1961 for property, plant and equipment	292.73	-
Total deferred tax assets	**25,313.88**	**37,510.14**
Tax effect of items constituting deferred tax liabilities		
Timing difference between book balance and balance as per Income Tax Act, 1961 for property, plant and equipment	-	47.13
Other timing differences	47.12	655.09
Total deferred tax liabilities	**47.12**	**702.22**
Net deferred tax assets	**25,266.76**	**36,807.92**

Movement in deferred tax assets

	Disallowances u/s 40A(7) and 43B	Timing difference between book balance and balance as per Income Tax Act, 1961	Other	Grand Total
At 1 April 2017	1,29,958.12	(223.84)	(75.71)	1,29,658.57
(Charged)/credited:	-	-	-	
- to profit or loss	(92,425.08)	176.71	(579.38)	(92,827.75)
- to other comprehensive income	(22.90)	-	-	(22.90)
As 31 March 2018	**37,510.14**	**(47.13)**	**(655.09)**	**36,807.92**
(Charged)/credited:				
- to profit or loss	(12,494.12)	339.86	607.97	(11,546.29)
- to other comprehensive income	5.13	-	-	5.13
As 31 March 2019	**25,021.15**	**292.73**	**(47.12)**	**25,266.76**

	As at March 31, 2019	As at March 31, 2018
7. Current tax assets (Net)		
Non-current tax assets		
Opening balance	2,40,855.14	2,02,912.83
Less: Refund received	(73,117.21)	(91,139.20)
Add:tax paid (including tax deducted at source)	1,25,262.06	1,29,081.51
Closing balance	**2,92,999.99**	**2,40,855.14**
Current tax liabilities		
Opening balance	1,61,730.49	1,40,538.55
Add:Current tax payable for the year	21,832.70	21,191.94
Closing balance	**1,83,563.19**	**1,61,730.49**
Total current tax assets (net)	**1,09,436.80**	**79,124.65**
8. Other non-current assets		
Prepaid expenses	7,597.74	8,394.26
Total non-current assets	**7,597.74**	**8,394.26**
9. Other current assets		
Advance to staff	300.00	960.00
Advance to vendors	44.25	-
Balances with government authorities	450.00	-
Prepaid expenses	17,011.67	7,389.55
Total other current assets	**17,805.92**	**8,349.55**

10. Equity share capital and other equity

10(a) Equity share capital

Authorised equity share capital	Par value of share (Amount in Rs)	Number of shares	Amount
As at April 01, 2017	10	100,00,000	10,00,000.00
Increase during the year			
As at March 31, 2018		**100,00,000**	**10,00,000.00**
Increase during the year		-	-
As at March 31, 2019		**100,00,000**	**10,00,000.00**

(i) Movement in equity share capital (issued, subscribed and paid up capital)

As at April 01, 2017	10	55,00,000	5,50,000.00
Shares issued during the year		-	-

Terms and rights attached to equity shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(ii) Details of shareholders holding more than 5% shares in the Company, which are also the shareholder of the company

	As at March 31, 2019		As at March 31, 2018	
	Number of shares	**% holding**	**Number of shares**	**% holding**
Forbes Campbell Finance Limited and Nominees	28,05,000	51%	28,05,000	51%
Bumi Armada (Singapore) Pte. Ltd.	26,95,000	49%	26,95,000	49%
	55,00,000		**55,00,000**	

10(b) Reserves and surplus

	As at March 31, 2019	As at March 31, 2018
Retained earnings	7,27,811.24	5,04,276.08
Total Reserves and Surplus	**7,27,811.24**	**5,04,276.08**

	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Opening balance	5,04,276.08	3,91,980.21
Net profit for the year	2,23,548.47	1,12,249.51
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	(13.31)	46.36
Closing balance	**7,27,811.24**	**5,04,276.08**

11. Employee benefits obligations

	As at March 31, 2019			As at March 31, 2018		
	Current	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Leave obligation	90.88	-	90.88	86.13	-	86.13
Gratuity	62.63	1,285.91	1,348.54	1.10	863.28	864.38
Total provisions	**153.51**	**1,285.91**	**1,439.42**	**87.23**	**863.28**	**950.51**

(a) Leave obligations
The leave obligations cover the Company's liability for earned leave.
The amount of the provision of Rs. 90.88 (March 31, 2018: Rs 86.13) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

(b) Post-employment obligations - Gratuity
The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period 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.

(c) Defined contribution plans
The Company also has certain defined contribution plans. Contributions are made to Provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards defined contribution plan is Rs. 809.57 (March 31, 2018: Rs. 769.02).

11. Employee benefits obligations (continued)

(i) The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present Value of Obligation
Balance as at April 01, 2017	555.05
Current service cost	341.46
Interest expense/(income)	37.13
Total amount recognised in profit or loss	**378.59**
Remeasurements	
(Gain)/loss from change in financial assumptions	(90.95)
Experience (gains)/losses	21.69
Total amount recognised in other comprehensive income	**(69.26)**
Balance as at March 31, 2018	**864.38**
Balance as at April 01, 2018	**864.38**
Current service cost	400.29
Interest expense/(income)	65.43
Total amount recognised in profit or loss	**465.72**
Remeasurements	
(Gain)/loss from change in financial assumptions	10.91
Experience (gains)/losses	7.53
Total amount recognised in other comprehensive income	**18.44**
Balance as at March 31, 2019	**1,348.54**

(ii) Significant estimates: Actuarial assumptions and sensitivity analysis

The significant actuarial assumptions were as follow :

	March 31, 2019	March 31, 2018
Discount rate	7.49%	7.57%
Salary growth rate	10%	10%

(iii) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

			Impact on defined benefit obligation					
	Change in assumption		Increase in assumption			Decrease in assumption		
	March 31, 2019	March 31, 2018	Increase/ Decrease	March 31, 2019	March 31, 2018	Increase/ Decrease	March 31, 2019	March 31, 2018
Discount rate	1%	1%	Decrease to	1,222.12	776.78	Increase to	1,498.41	968.62
Salary growth rate	1%	1%	Increase to	1,487.16	961.16	Decrease to	1,228.94	781.16

The above sensitivity analyses are based on a 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.

(iv) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 8.36 years (March 31, 2018: 8.43 years). The expected maturity analysis of undiscounted gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2019	62.63	94.24	351.23	561.18	10.69
March 31, 2018	1.10	1.15	3.83	8.51	0.15

		As at March 31, 2019	As at March 31, 2018
12.	**Other non current liabilities**		
	Deferred rent	-	3,650.04
	Closing balance	**-**	**3,650.04**
13.	**Financial liabilities**		
13(a)	**Trade payables**		
	Trade payables: micro and small enterprises (Refer note below)	-	-
	Trade payables: others	36,632.52	24,357.55
	Trade payables to related parties (Refer note 25)	17,158.72	20,074.56
	Total trade payables	**53,791.24**	**44,432.11**

Note:

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on request made by the Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous year.

		As at March 31, 2019	As at March 31, 2018
13(b)	**Other financial liabilities**		
	Employee benefits payable	10,56,914.03	9,34,811.55
	Security deposits	-	22,689.45
	Total other financial liabilities	**10,56,914.03**	**9,57,501.00**
14.	**Other current liabilities**		
	Statutory dues including provident fund and tax deducted at source	1,57,865.53	2,46,498.65
	Deferred rent	-	3,120.06
	Total other current liabilities	**1,57,865.53**	**2,49,618.71**

		Year ended March 31, 2019	Year ended March 31, 2018
15.	**Revenue from operations**		
	Revenue from contracts with customers		
	Income from manpower services	54,10,801.91	54,47,341.88
	Other operating revenue		-
	Service income	27,121.40	23,921.36
	Total revenue from operations	**54,37,923.31**	**54,71,263.24**
16.	**Other income and other gains/(losses)**		
	Dividend income from investments in mutual funds	49,113.80	20,854.01
	Fair value gain on Mutual Fund Investment	221.84	442.83
	Interest Income on Fixed Deposit	870.23	941.41
	Unwinding of discount on security deposits	19,987.87	6,938.21
	Interest on income tax refund	5,118.19	7,291.10
	Net foreign exchange differences	(6,706.84)	(3,203.06)
	Total other income	**68,605.09**	**33,264.50**
17.	**Employee benefits expense**		
	Salaries, wages and bonus	51,29,438.38	51,62,344.61
	Contribution to provident fund (Refer note 11)	809.57	769.02
	Gratuity (Refer note 11)	465.72	378.59
	Staff welfare expenses	71.64	356.67
	Total employee benefits expense	**51,30,785.31**	**51,63,848.89**
18.	**Depreciation and amortisation expense**		
	Depreciation of property, plant and equipment (Refer note 3)	1,367.64	1,659.28
	Amortisation of intangible assets (Refer note 4)	461.57	461.57
	Total depreciation and amortisation expense	**1,829.21**	**2,120.85**
19.	**Other expenses**		
	Rent	67,185.47	62,076.21
	Insurance	1,032.06	674.63
	Brokerage and commission	4,005.47	-
	Travel and conveyance	137.06	211.26
	Directors fees	1,000.00	800.00
	Payment to auditors		
	Audit Fee	8,000.00	8,000.00
	Tax audit Fee	1,000.00	1,000.00
	Others - Reimbursement of expenses	123.67	95.26
	Legal and professional fees	6,688.66	12,873.35
	IT Expenses	14,295.00	12,137.67
	Communication charges	1,785.22	1,892.20
	Bank charges	388.76	1,165.92
	Electricity charges	9,552.40	9,730.50
	Miscellaneous expenditure	1,774.88	1,614.63
	Total other expenses	**1,16,968.65**	**1,12,271.63**
20.	**Finance costs**		
	Interest on statutory dues	17.77	17.17
	Total finance cost	**17.77**	**17.17**

	Year ended March 31, 2019	Year ended March 31, 2018
21. Income tax expense		
Current tax:		
Current tax on profits for the year	80,000.00	1,05,797.67
Excess current tax provision of earlier years reversed	(58,167.30)	(84,605.73)
Total current tax expense	**21,832.70**	**21,191.94**
Deferred tax:		
(Increase) in deferred tax assets - Statement of Profit and Loss	11,546.29	92,827.75
Decrease in deferred tax assets - Other Comprehensive Income	(5.13)	22.90
Total deferred tax expense/(benefit)	11,541.16	92,850.65
Income tax expense	**33,373.86**	**1,14,042.59**

(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before taxes	2,56,927.46	2,26,269.20
Tax amount at the rate of Indian tax rate of 27.82% (2017-18: 33.063%)	**71,477.22**	**74,811.38**
Tax effect of expenses/(income) which are not deductible (taxable) in calculating taxable income:		
- Interest on statutory dues	4.94	5.55
- Disallowance of expense under Section 14A	2,731.79	1,585.28
- Charity and donation expense disallowed	-	115.72
- Other items	7,678.00	-
Dividend Income exempt	(13,663.46)	(7,041.38)
Difference in future tax rate on deferred tax	(5,836.86)	-
Items reverse in which no deferred tax to be realised	29,149.53	1,29,171.77
Adjustment of current tax of previous periods	(58,167.30)	(84,605.73)
	33,373.86	**1,14,042.59**

22. Fair value measurements

22(a) Financial instruments by category

	As at March 31, 2019		As at March 31, 2018	
	FVPL	**Amortised cost**	**FVPL**	**Amortised cost**
Financial assets				
Investments in mutual funds	10,93,632.49		4,74,696.85	
Trade receivables	-	1,85,958.45	-	8,03,662.52
Unbilled Revenue	-	9,37,830.00	-	8,03,300.00
Cash and cash equivalents	-	1,23,334.52	-	27,467.55
Security deposits	-	32,610.42	-	53,372.38
Long term deposits with banks with the maturity more than 12 months	-	11,542.09	-	10,759.18
Total financial assets	**10,93,632.49**	**12,91,275.48**	**4,74,696.85**	**16,98,561.63**
Financial liabilities				
Trade payables	-	53,791.24	-	44,432.11
Payable to employees	-	10,56,914.03	-	9,34,811.55
Security deposits	-	-	-	22,689.45
Total financial liabilities	**-**	**11,10,705.27**	**-**	**10,01,933.12**

22(b) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2019	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial instruments at FVPL					
Investment in mutual funds	5(a)	-	10,93,632.49	-	10,93,632.49
Total financial assets		**-**	**10,93,632.49**	**-**	**10,93,632.49**

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2018	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Financial instruments at FVPL					
Investment in mutual funds	5(a)	-	4,74,696.85	-	4,74,696.85
Total financial assets		**-**	**4,74,696.85**	**-**	**4,74,696.85**

Financial assets and liabilities which are measured at					
Financial assets					
Security deposits	5(c)	-	-	32,610.42	32,610.42
Total financial assets		**-**	**-**	**32,610.42**	**32,610.42**
Financial liabilities					
Security deposits	13(b)	-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2018	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Security deposits	5(c)	-	-	53,372.38	53,372.38
Total financial assets		**-**	**-**	**53,372.38**	**53,372.38**
Financial liabilities					
Security deposits	13(b)	-	-	22,689.45	22,689.45
Total financial liabilities		**-**	**-**	**22,689.45**	**22,689.45**

22(c) Valuation processes

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The mutual funds are valued using closing NAV. There are no items falling under level 1

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

22(d) Fair value of financial assets and liabilities measured at amortised cost

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Security deposits	32,610.42	32,610.42	53,372.38	53,372.38
Total financial assets	**32,610.42**	**32,610.42**	**53,372.38**	**53,372.38**
Financial liabilities				
Security deposits	-	-	22,689.45	22,689.45
Total financial liabilities	**-**	**-**	**22,689.45**	**22,689.45**

The carrying amounts of trade receivables, unbilled revenue, long term deposit with bank, cash and cash equivalents, trade payables and payable to employees are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits were calculated based on cash flows discounted using a current fixed deposit rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk.

23. Financial risk management

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.
The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. The management team then establishes the detailed policies such as risk identification and measurement and exposure limits.

(a) Credit risk

Credit risk arises from cash and cash equivalents and trade receivables. The Company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

The Company adopts the policy of dealing only with related parties and obtaining sufficient security where appropriate to mitigate credit risk.
Credit risk is the risk of financial loss to the Company if a customer fails to meet its contractual obligations on cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying values of the Company's financial assets.

Cash equivalents and investments
The Company limits its exposure to credit risk through dealing with well-established financial institutions with high credit standing, and thus management does not expect any counterparty to fail to meet its obligations. The Company does not consider there to be any significant concentration of credit risk in respect of which adequate impairment has not been raised.

Trade receivables
The Company has entered into a contract with two customers and is generating all it's revenue from the said customers. Based on the management's assessment and it being a related entity, the risk of default is low.

The Company does not have any collateral in respect of trade receivables.

The Company adopts the policy of dealing only with related parties and obtaining sufficient security where appropriate to mitigate credit risk.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The risk is managed through cash flow forecasts and the optimisation of daily cash management.

The table below analyses the Company's non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

For the year ended March 31, 2019

Contractual maturities of financial liabilities	**Upto 1 year**	**More than 1 year**	**Total**
Trade and other payables	53,791.24	-	53,791.24
Other financial liabilities	10,56,914.03	-	10,56,914.03

For the year ended March 31, 2018

Contractual maturities of financial liabilities	**Upto 1 year**	**More than 1 year**	**Total**
Trade and other payables	44,432.11	-	44,432.11
Other financial liabilities	9,34,811.55	30,775.14	9,65,586.69

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign currency risk exposure:
The company exposure to foreign currency risk at the end of the reporting period expressed in INR , are as follows

	31 March 2019		**31 March 2018**	
	SGD	GBP	SGD	GBP
Financial liabilities				
Trade Payables	1,719.12	6,503.13	1,665.36	-

23(c) Financial risk management (continued)

(ii) Currency risk

The Company's business operations are not exposed to significant currency risks except for certain amounts due to one offshore employees and certain payments/receipts in the year on account of previous year balances.

(iii) Interest rate risk
The Company doesn't have any long term borrowing at variable rate of interest, therefore company is not exposed to any interest rate risk.

24. Capital risk

(a) Risk management
The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
-maintain an optimal capital structure to reduce cost of capital.

The Company's capital structure consists of only equity share capital and has no debts which suggests that there is no risk for management of capital.

(b) Dividends
The Company has not declared dividends in the current reporting year as well as prior years.

25. Related party transactions

25(a) As per Indian Accounting Standard 24 'Related Party Transactions' as prescribed by Companies (Indian Accounting Standards) Rules, 2015, the Company's related parties and transactions are disclosed below:

25(b) A) Parties where control exists:

Joint venturer

	Place of Business	Percentage of share holding	
		As at March 31, 2019	As at March 31, 2018
Forbes Campbell Finance Limited	India	51%	51%
Bumi Armada (Singapore) Pte Ltd.	Singapore	49%	49%

B) Other related parties with whom transactions have taken place during the year/ closing balance existed at year end :

Ultimate parent
Shapoorji Pallonji Company Private Limited
Bumi Armada Berhad

Entities under common control of joint venture
Shapoorji Pallonji Bumi Armada Offshore Private Limited
SP Armada Oil Exploration Private Limited
Forbes & Company Limited
Shapoorji Pallonji Oil & Gas Pvt Ltd
SP Armada Offshore Private Limited
Forvol International Service Limited

25(c) Transactions with related parties

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Travelling Expenses		
Forvol International Service Limited	1,996.73	-
IT Expenses		
SP Armada Oil Exploration Private Limited	14,200.00	12,186.00
Income from manpower services		
Shapoorji Pallonji Bumi Armada Offshore Private Limited	24,80,050.24	24,09,792.90
SP Armada Oil Exploration Private Limited	29,30,751.67	30,37,548.98
Reimbursement of Rent		
SP Armada Oil Exploration Private Limited	17,097.30	41,033.52
Service Income		
Shapoorji Pallonji Bumi Armada Offshore Private Limited	10,692.01	9,637.99
SP Armada Oil Exploration Private Limited	16,429.39	14,283.38
Reimbursement of expenses		
Shapoorji Pallonji Bumi Armada Offshore Private Limited	1,87,433.12	1,39,408.79
SP Armada Oil Exploration Private Limited	2,71,199.20	2,05,450.70

25(d) Balances with related parties as at March 31, 2019

The following balances are outstanding at the end of the reporting period in relation to transactions

	As at March 31, 2019	As at March 31, 2018
Trade Payables		
Bumi Armada Berhad	1,719.12	1,665.36
SP Armada Oil Exploration Private Limited	15,439.60	18,409.20
Total payable to related parties	**17,158.72**	**20,074.56**
Other payables		
SP Armada Oil Exploration Private Limited	-	30,775.14
Total Other payables to related parties	**-**	**30,775.14**
Trade receivable		
Shapoorji Pallonji Bumi Armada Offshore Private Limited	1,31,045.35	5,84,858.43
SP Armada Oil Exploration Private Limited	54,913.10	2,18,804.09
Total receivable from related parties	**1,85,958.45**	**8,03,662.52**
Unbilled receivable		
Shapoorji Pallonji Bumi Armada Offshore Private Limited	4,10,000.00	3,50,000.00
SP Armada Oil Exploration Private Limited	5,27,830.00	4,53,300.00
Total receivable from related parties	**9,37,830.00**	**8,03,300.00**

26. Earnings per share

Earnings per share has been calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The numbers used in calculating the basic/ diluted earnings per equity share are as stated below :

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit after taxation (Rupees)	2,23,548.47	1,12,249.51
Weighted average number of equity shares of Rs. 10 each outstanding during the year	55,00,000	55,00,000
Basic and Diluted earnings per share (Rupees)	4.06	2.04
Face value per share (Rupees)	10	10

27 Segmental Information

(i) **Description of segments and principle activities:**
The Company's chief operating decision makers are the Board of Directors who examine the Company's performance only from manpower services provided and has accordingly, identified only one reportable segment which is provision of manpower to its related entities.

(ii) The chief operating decision makers primarily use a measure of profit before tax as included in the internal management report to assess the performance of the operating segment which is measured consistently with profit and loss in th financial statements.

(iii) There are two customers having more than 10% of the gross revenue for the years ended March 31, 2019 & March 31, 2018 aggregating to Rs 54,37,923.31 and Rs. 54,71,263.24 respectively.

(iv) The Company is domiciled in India and all it's customers are based in India.

28. Operating Lease

(i) There is a premise taken by the Company on an operating lease for its daily operation, which has a non cancellable period of 2 years since date of commencement of agreement.

	Year ended March 31, 2019	Year ended March 31, 2018
Lease rent for premises recognised in the Statement of Profit and Loss during the year	67,185.47	62,076.21

(ii) Future minimum lease payments under non-cancellable operating lease are as under:

	Year ended March 31, 2019	Year ended March 31, 2018
Within one year	53,612.71	15,577.54
Later than one year but not later than five years	22,702.45	-
Later than five years	-	-
	76,315.16	**15,577.54**

29 Changes in accounting policies

The Company has applied Ind AS 115 for the first time by using modified retrospective method of adoption with the date of initial application of 1 April 2018, under this method an prior year comparative figures has not been adjusted.

In Company's case modified retrospective adoption of Ind AS 115 is not having any impact on profits earned for the current year as well as profits reported for earlier years. There is no impact on the financial statements line item of Statement of Profit and Loss and Balance Sheet by application of IND AS 115.

30. Contingent liabilities

Demand of Rs 6,597,470 raised by Income Tax Department with respect to adjuesment done on assessment of transfer pricing for the A.Y 2010 -11. The Company has disputed the said adjuestment and matter is under appeal with Commission of Income Tax (Appeals).

31. The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 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 performed by the management, the aforesaid matter does not have any significant impact and accordingly, no provision has been made in these Financial Statements.

32 There are no capital commitments for the year ended March 31, 2019 and March 31, 2018.

FORBES CAMPBELL FINANCE LIMITED

(a wholly owned subsidiary)

Financial Statements

For the Year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT
To the Members of **FORBES CAMPBELL FINANCE LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **FORBES CAMPBELL FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the ‘Annexure A’ a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 6th May, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of one immovable property (investment property) aggregating Rs. 476,884 (net book value) are not available with the Company and hence we are unable to comment on the same. However, property tax receipt of the particular immovable property issued by the local municipal corporation in the name of the Company is available with the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable. Undisputed dues in respect of sales-tax which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment
Sales Tax	Sales Tax and interest thereon	15,69,598	FY 1993 to 2000	Various	Unpaid

(b) According to information and explanations given to us, the following dues of sales tax and income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of the statute	**Nature of dues**	**Amount (in Rs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax	Income tax	15,489,390	F.Y. 2003-04	Commissioner of Income Tax (Appeals)
Income Tax	Income tax	75,320	F.Y.2004-05	Income Tax Appellate, Tribunal
Income Tax	Income tax	190,459	F.Y.2007-08	Income Tax Appellate, Tribunal
Income Tax	Income Tax	17,233,159	F.Y.2009-10	Commissioner of Income Tax (Appeals)
Madhya Pradesh Sales Tax Act	Sales Tax Demands	10,09,077	F.Y. 1997-98 to 1999-2000	Commercial tax officer, Bhopal

(viii) The Company has not defaulted in repayment of dues to debenture holders. The Company did not have any outstanding loans from financial institution, banks or Government during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 6^{th} May, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of **FORBES CAMPBELL FINANCE LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 6th May, 2019

FORBES CAMPBELL FINANCE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st Mar., 2019 ₹	*As at 31st Mar., 2018 ₹*
ASSETS			
1 Non-current assets			
a Property, Plant and Equipment	**4**	**-**	*-*
b Investment Property	**5**	**4,76,884**	*4,99,724*
c **Financial Assets:**			
i) **Investments**			
a) Investments in Subsidiaries	**6**	4,93,996	*4,93,996*
b) Investments in Associate	**7**	11,82,97,778	*11,82,74,624*
c) Investments in Joint Venture	**8**	2,80,56,395	*2,80,56,395*
d) Other Investments	**9**	36,56,18,005	*51,49,68,530*
		51,24,66,174	*66,17,93,545*
ii) Loans / Advances	**11**	-	*-*
iii) Other financial assets	**12A**	38,000	*10,000*
		51,25,04,174	*66,18,03,545*
d **Tax assets**			
i) Current tax assets (net)	**21**	1,99,88,849	*2,00,32,104*
		1,99,88,849	*2,00,32,104*
Total Non-current assets		**53,29,69,907**	*68,23,35,373*
2 Current assets			
a **Financial Assets:**			
i) Trade receivables	**10**	90,000	*-*
ii) Cash and cash equivalents	**13**	25,64,378	*21,49,779*
iii) Other financial assets	**12B**	1,155	*-*
		26,55,533	*21,49,779*
b Other current assets	**14**	885	*-*
Total Current assets		**26,56,418**	*21,49,779*
Total Assets		**53,56,26,325**	*68,44,85,152*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**15**	3,86,41,310	*3,86,41,310*
b Other equity	**16**	45,49,13,249	*60,78,38,281*
Total Equity		**49,35,54,559**	*64,64,79,591*
Liabilities			
1 Non-current liabilities			
a **Financial liabilities:**			
i) Borrowings	**17**	3,98,30,983	*3,57,18,148*
Total Non-current liabilities		**3,98,30,983**	*3,57,18,148*
2 Current liabilities			
a **Financial liabilities:**			
i) Trade and other payables	**20**		
a) total outstanding dues of micro enterprises and small enterprises; and		35,000	*55,600*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		8,355	*24,818*
ii) Other financial liabilities	**18**	6,27,170	*6,33,178*
		6,70,525	*7,13,596*
b Other current liabilities	**19**	15,70,258	*15,73,817*
		22,40,783	*22,87,413*
Total Current Liabilities		**22,40,783**	*22,87,413*
Total Liabilities		**4,20,71,766**	*3,80,05,561*
Total Equity and Liabilities		**53,56,26,325**	*68,44,85,152*

See accompanying notes forming part of the financial statements **1 to 38**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

SHRIKRISHNA BHAVE ____________________ *Chairperson*

S.P. KADAKIA ____________________

Directors

PANKAJ KHATTAR ____________________

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

Mumbai, 6th May, 2019

FORBES CAMPBELL FINANCE LIMITED

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

	Particulars	Note No.	Year Ended 31st Mar., 2019 ₹	*Year Ended 31st Mar., 2018 ₹*
I	Revenue from operations	**22**	6,00,000	*6,00,000*
II	Other income	**23**	4,79,323	*8,12,323*
III	**Total Income (I + II)**		**10,79,323**	*14,12,323*
IV	**Expenses:-**			
	Finance cost	**24**	42,85,510	*38,44,848*
	Depreciation and amortisation expense	**25**	22,840	*22,840*
	Other expenses	**26**	3,45,480	*1,50,384*
	Total expenses		**46,53,830**	*40,18,072*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**(35,74,507)**	*(26,05,749)*
VI	Exceptional items		-	-
VII	**Profit / (Loss) before tax (V + VI)**		**(35,74,507)**	*(26,05,749)*
VIII	**Tax expense / (credit):**			
	Current tax	**27**	**-**	-
			-	-
IX	**Profit / (Loss) for the period (VII - VIII)**		**(35,74,507)**	*(26,05,749)*
X	**Other Comprehensive Income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Equity instruments through other comprehensive income		**(14,93,50,525)**	*22,12,09,501*
	Total Other Comprehensive Income		**(14,93,50,525)**	*22,12,09,501*
XI	**Total Comprehensive Income for the period (IX + X)**		**(15,29,25,032)**	*21,86,03,752*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share	**28**	₹ **(0.93)**	₹ *(0.67)*

See accompanying notes forming part of the financial statements **1 to 38**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE ________ *Chairperson*

S.P. KADAKIA ________

PANKAJ KHATTAR ________

Directors

Mumbai, 6th May, 2019

FORBES CAMPBELL FINANCE LIMITED

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

	Year Ended 31st Mar., 2019 ₹		Year Ended 31st Mar., 2018 ₹	
Cash flows from operating activities				
Profit before		**(35,74,507)**		*(26,05,749)*
Adjustments for -				
Finance costs recognised in profit or loss	42,85,510		*38,44,848*	
Depreciation and amortisation of non-current assets	22,840		*22,840*	
Interest Income	(9,348)		-	
Dividend Income	(4,15,995)		*(4,15,995)*	
Financial Guarantee Income	(29,162)		*(15,676)*	
		38,53,845		*34,36,017*
Operating profit / (loss) before working capital changes		**2,79,338**		*8,30,268*
Movements in working capital:				
Decrease / (increase) in trade receivables and other receivables	(1,18,000)		-	
(Increase)/decrease in other assets	(885)		-	
Increase / (decrease) in trade payables and other payables	(37,061)		*30,600*	
Increase / (decrease) in other liabilities	(3,560)		*(3,80,654)*	
		(1,59,506)		*(3,50,054)*
Cash generated from / (used in) operations		**1,19,832**		*4,80,214*
Income taxes paid (net of refunds)		**43,255**		*(60,000)*
(a) Net cash generated from / (used in) operating activities		**1,63,087**		*4,20,214*
Cash flows from investing activities:				
Redemption/maturity of bank deposits (having original maturity of more than three months)	-		-	
Interest received	8,193		-	
Dividend received	4,15,995		*4,15,995*	
(b) Net cash generated from / (used in) investing activities		**4,24,188**		*4,15,995*
Cash flows from financing activities:				
Interest paid	(1,72,676)		*(1,72,676)*	
(c) Net cash generated from / (used in) financing activities		**(1,72,676)**		*(1,72,676)*
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**4,14,599**		*6,63,533*
(e) Cash and cash equivalents as at the commencement of the year		**21,49,779**		*14,86,246*
(f) Cash and cash equivalents as at the end of the year		**25,64,378**		*21,49,779*

See accompanying notes forming part of the financial statements **1 to 38**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

SHRIKRISHNA BHAVE ________________ *Chairperson*

S.P. KADAKIA ________________
MR. PANKAJ KHATTAR ________________ *Directors*

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

Mumbai, 6th May, 2019

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

A. Equity share capital

	No.of Shares	Amount
Balance at 31st March, 2018	**38,64,131**	**3,86,41,310**
Changes in equity share capital during the year	-	-
Balance at 31st March, 2019	**38,64,131**	**3,86,41,310**

B. Other Equity

₹

	Attributable to Owners							
	Reserves and surplus						Items Of Other Comprehensive Income	Total Other Equity
	Amalgamation reserve	Securities premium reserve	Retained earnings	Capital Redemption Reserve	Equity Component in Debentures issued	Total	equity instruments through other comprehensive	Total
Total comprehensive income for the year 31st March, 2018	**2,04,061**	**30,00,71,700**	**(38,02,77,721)**	**75,00,000**	**16,86,26,403**	**9,61,24,443**	**51,17,13,838**	**60,78,38,281**
Profit / (Loss) for the year	-	-	(35,74,507)	-	-	**(35,74,507)**	-	**(35,74,507)**
Net fair value gain / (loss) on investments in equity instruments at FVTOCI						**-**	(14,93,50,525)	**(14,93,50,525)**
Total comprehensive income for the year 31st March, 2019	**2,04,061**	**30,00,71,700**	**(38,38,52,228)**	**75,00,000**	**16,86,26,403**	**9,25,49,936**	**36,23,63,313**	**45,49,13,249**

See accompanying notes forming part of the financial statements **1 to 38**

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE ______________________ *Chairperson*

S.P. KADAKIA ______________________ *Directors*

PANKAJ KHATTAR ______________________

Mumbai, 6th May, 2019

1. GENERAL INFORMATION

Forbes Campbell Finance Limited was incorporated on 25th April, 1977 in India having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400001. The Company is wholly owned subsidiary of Forbes & Company Limited and is mainly engaged in real estate business and investment activities.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

The financial statements were authorised for issue by the Company's Board of Directors on 6th May, 2019.

ii) Basis of Preparation and Presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

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

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. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Company has both joint operations and 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 recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Investment in Subsidiaries, Associates and Joint Ventures

The Company has elected to continue with the carrying value of all of its investment in subsidiaries, associates and joint ventures recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

iv) Property, Plant and Equipment

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

Subsequent expenditures related to an item of property, plant and equipment are added to its carrying value only when it is probable that the future economic benefits from the asset will flow to the Company & cost can be reliably measured.

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 life prescribed in Schedule II to the Companies Act 2013.

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.

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

Sr. No.	Class of assets	Estimated useful life
a	Furniture & Fixture	As per Schedule II
b	Office equipment, Electrical installations, Computers:-	
	- Owned	As per Schedule II.

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment as of the transition date.

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.

vi) Investment property
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. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

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 profit or loss in the period in which the property is derecognised.

For transition to Ind AS, the Company has elected to continue with the carrying value of its investment property recognised as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

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

Amortisation is to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be 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 to be determined as the difference between the disposal proceeds and the carrying amount of the asset and are to be recognised as income or expense in the Statement of Profit and Loss.

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

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

x) Deemed cost for property, plant and equipment, investment property
The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of April 1, 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 a Company entity 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 profit or 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 points paid or received 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 profit or 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 profit or loss. The net gain or loss recognised in profit or 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 at FVTPL and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, 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. 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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

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 profit or 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.

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

Financial guarantee contracts

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

Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

xii) 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.

xiii) 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.

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.

xiv) Revenue recognition

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

Sale of Services:

a) Income from services is recognised on accrual basis as and when the services are performed.

b) 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.

c) 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).

xv) Foreign Currency Transactions

In preparing the financial statements of the Company entity, 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 profit or loss in the period in which they arise.

xvi) Lease accounting

Operating Leases

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

xvii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

xviii) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xix) Borrowing Costs

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

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 profit or loss in the period in which they are incurred.

xx) 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.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The Group has a number of material non-cancellable operating leases or leases having lease terms of more than 12 months that are impacted on adoption of this standard.

The main changes arising on the adoption of Ind AS 116 will be as follows:

1. In the Balance Sheet, interest-bearing borrowings and non-current assets will increase as obligations to make future payments will be recognised on the Balance sheet, along with the related 'right-of-use' (ROU) asset.

2. In the statement of profit & loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on ROU assets on a straight line basis).

3. In the statement of cash flows, net operating cash flows is expected to increase, with a corresponding increase in financing cash outflows. This is because, earlier, companies presented cash outflows on former off balance sheet leases as operating activities. In contrast, applying Ind AS 116, principal repayments on all lease liabilities are included within financing activities along with interest.

The adoption of Ind AS 116 will require the Company to make a number of judgements, estimates and assumptions. The company is evaluating the impact of the standard on the financial position, results of operation and cashflow.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12
This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

The management is in process of evaluating the the impact of the amendment on the financial position. The Company will adopt the amendment from April 1, 2019.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109
The amendment to Ind-AS 109 – 'Financial Instruments' enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is in process of evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19
The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

Annual Improvements to Ind AS
Ind AS 23, "Borrowing Cost"- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 12, "Income Taxes"- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

These interpretations are effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

FORBES CAMPBELL FINANCE LIMITED

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

4. Property, plant and equipment

Current Year

Particulars	Cost or deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April, 2018	Additions	Disposals	Balance as at 31st Mar., 2019	Balance as at 1st April, 2018	Eliminated on disposals of assets	Depreciation expense	Balance as at 31st Mar., 2019	Balance as at 31st Mar., 2019
Property plant and equipment									
Office equipments	-	-	-	-	-	-	-	-	-
Furniture and fixtures	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Previous Year

Particulars	*Cost or Deemed cost*				*Accumulated depreciation and impairment*				*Carrying Amount*
	Balance as at 1st April, 2017	*Additions*	*Disposals*	*Balance as at 31st Mar., 2018*	*Balance as at 1st April, 2017*	*Eliminated on disposals of assets*	*Depreciation expense*	*Balance as at 31st Mar., 2018*	*Balance as at 31st Mar., 2018*
Property plant and equipment									
Office equipments	-	-	-	-	-	-		-	-
Furniture and fixtures	-	-	-	-	-	-		-	-
Subtotal	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

FORBES CAMPBELL FINANCE LIMITED

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

5. Investment property

₹

	As at 31st Mar., 2019	As at 31st Mar., 2018
Completed investment properties	4,76,884	4,99,724
Total	**4,76,884**	**4,99,724**

Cost or Deemed Cost	Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
Balance at beginning of year	13,31,694	13,31,694
Additions	-	-
Balance at end of year	**13,31,694**	**13,31,694**

Accumulated depreciation and impairment	Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
Balance at beginning of year	8,31,970	8,09,130
Additions :- Depreciation for the year	22,840	22,840
Balance at end of year	**8,54,810**	**8,31,970**

Carrying amount	Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
Balance at beginning of year	4,99,724	5,22,564
Additions		
Disposals		
Depreciation expense	22,840	22,840
Balance at end of year	**4,76,884**	**4,99,724**

All of the Company's investment properties are held under freehold interests.

5.1 Fair value measurement of the Company's investment properties

The fair value of the Company’s investment properties as at March 31, 2019 and as at March 31, 2018 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi Associates, Chartered Engineer, Approved Valuers. 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.

Details of the Company’s investment properties and information about the fair value hierarchy as at 31st March, 2019 and 31st March, 2018 are as follows:

Particulars	Level 3	Fair value as at 31st March, 2019
Office Units located in India- Pune City	1,62,00,000	1,62,00,000
Total	**1,62,00,000**	**1,62,00,000**

Particulars	*Level 3*	*Fair value as at 31st March, 2018*
Office Units located in India- Pune City	*1,55,00,000*	*1,55,00,000*
Total	***1,55,00,000***	***1,55,00,000***

For the office units located in Pune City, India, the fair value was derived using the market comparable approach based on recent market prices without any significant adjustments being made to the market observable data.

5.2 Note on Investment property direct expenses included in other expenses:-

₹

	Year Ended 31st Mar., 2019	Year Ended 31st Mar., 2018
Direct operating expenses arising from investment property that generated rental income during the year	68,660	38,433
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
Total	**68,660**	**38,433**

FORBES CAMPBELL FINANCE LIMITED

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

6. Investments in Subsidiaries at cost

Non Current Investments

₹

particulars	As at 31st Mar., 2019 Qty	Amount	*As at 31st Mar., 2018 Qty*	*Amount*
In subsidiary companies at cost				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Campbell Services Ltd.	**49,000**	**4,93,994**	*49,000*	*4,93,994*
2. Equity shares of ₹ 10 each in Forbes Edumetry Ltd	**16,56,000**	**1,44,36,124**	*16,56,000*	*1,44,36,124*
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**17,05,000**	**1,49,30,118**	*17,05,000*	*1,49,30,118*
Aggregate amount of impairment in value of investments (B)		**1,44,36,122**		*1,44,36,122*
TOTAL INVESTMENTS (A) - (B)		**4,93,996**		*4,93,996*

7. Investment in associates at cost

₹

particulars	As at 31st Mar., 2019 Qty	Amount	*As at 31st Mar., 2018 Qty*	*Amount*
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Technosys Ltd. (Refer Note 35)	**1,18,97,200**	**11,78,26,350**	*1,18,97,200*	*11,78,26,350*
2. Equity component in Financial Guarantee given to Forbes Technosys Limited	**-**	**4,71,428**	*-*	*4,48,274*
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**1,18,97,200**	**11,82,97,778**	*1,18,97,200*	*11,82,74,624*
Aggregate amount of impairment in value of investments (B)		**-**		*-*
TOTAL INVESTMENTS (A) - (B)		**11,82,97,778**		*11,82,74,624*

8. Investment in joint venture at cost

₹

particulars	As at 31st Mar., 2019 Qty	Amount	*As at 31st Mar., 2018 Qty*	*Amount*
In joint venture company				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Bumi Armada Ltd.	**28,05,000**	**2,80,56,395**	*28,05,000*	*2,80,56,395*
TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**28,05,000**	**2,80,56,395**	*28,05,000*	*2,80,56,395*
Aggregate amount of impairment in value of investments (B)		**-**		*-*
TOTAL INVESTMENTS (A) - (B)		**2,80,56,395**		*2,80,56,395*

FORBES CAMPBELL FINANCE LIMITED

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

9. Other investments

9A. Other Non Current Investments

₹

	particulars	As at 31st Mar., 2019 Qty	Amount	*As at 31st Mar., 2018 Qty*	*Amount*
9.1A.	**Quoted Investments (all fully paid) at fair value through OCI**				
	In Holding Company				
	Equity Instruments				
	1. Equity shares of ₹ 10 each in Forbes & Company Ltd.	**1,66,398**	**36,56,18,005**	*1,66,398*	*51,49,68,530*
	TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)	**1,66,398**	**36,56,18,005**	*1,66,398*	*51,49,68,530*
9.2A.	**Unquoted Investments (all fully paid) at fair value through P&L**				
	In Other entities				
	Equity Instruments				
	1. Equity shares of ₹ 10 each in The Svadeshi Mills Co. Ltd.	**13,49,260**	**1,34,92,600**	*13,49,260*	*1,34,92,600*
	TOTAL AGGREGATE QUOTED INVESTMENTS (B)	**13,49,260**	**1,34,92,600**	*13,49,260*	*1,34,92,600*
	TOTAL INVESTMENTS (A) + (B)	**15,15,658**	**37,91,10,605**	*15,15,658*	*52,84,61,130*
	Less : Aggregate amount of impairment in value of investments (C)		**1,34,92,600**		*1,34,92,600*
	TOTAL INVESTMENTS CARRYING VALUE (A) + (B) - (C)		**36,56,18,005**		*51,49,68,530*
	Aggregate market value of quoted investments		**36,56,18,006**		*51,49,68,530*

9.3A. Category-wise other investments – as per Ind AS 109 classification

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Financial assets carried at fair value through profit or loss (FVTPL)		
Equity Instrument	1,34,92,600	*1,34,92,600*
Less:- Impairment in value of investments	1,34,92,600	*1,34,92,600*
	-	-
Financial Assets measured at FVTOCI (Debt instruments and equity investments)		
Equity instruments	36,56,18,005	*51,49,68,530*
	36,56,18,005	*51,49,68,530*
TOTAL	**36,56,18,005**	*51,49,68,530*

FORBES CAMPBELL FINANCE LIMITED

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

10. Trade receivables

Trade receivables- Current

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Trade receivables		
a) Unsecured, considered good (from Holding Co.)	90,000	-
b) Doubtful	-	-
Allowance for doubtful debts	-	-
Total	**90,000**	-

11. Loans / Advances

Loans / Advances - Non Current

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Loans / Advances to related parties (Refer note 31)		
- Secured, considered doubtful	-	-
- Doubtful	39,53,952	*38,26,000*
Less : Allowance for bad and doubtful loans	39,53,952	*38,26,000*
Total	**-**	-

Forbes Edumetry Limited (FEL), a subsidiary of the Company, received a demand notice for ₹ 1,27,952 during the year. FEL is currently under liquidation, and hence the demand has been paid by the Company on behalf of FEL, and has been disclosed as an advance to FEL. This advance has been fully provided in the books of the Company.

12. Other financial assets

12A. Other financial assets - Non current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Security deposits		
- Unsecured, considered good	38,000	*10,000*
- Doubtful	-	-
Less : Allowance for bad and doubtful loans	-	-
sub total (a)	**38,000**	*10,000*
b) Balance held as margin money with banks with remaining maturity period of more than 12 months	**-**	-
Total (a+b)	**38,000**	*10,000*

12B. Other financial assets - Current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Accruals:		
i) Interest accrued on deposits with bank	1,155	-
Total	**1,155**	-

FORBES CAMPBELL FINANCE LIMITED

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

13. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balances with Banks		
a) In current accounts	10,52,024	*21,37,275*
b) In EEFC Accounts	-	-
c) Deposits accounts (with original maturity upto 3 months)	15,00,000	-
	25,52,024	*21,37,275*
Cheques, drafts on hand	-	-
Cash on hand	12,354	*12,504*
Cash and cash equivalents as per balance sheet	**25,64,378**	*21,49,779*

14. Other assets

Other assets - Current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Advances for supply of goods and services		
- Unsecured, considered good	885	-
- Doubtful	-	-
Less : Allowance for doubtful advances	-	-
Total	**885**	-

15. Equity Share Capital

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Equity shares of ₹ 10 each	3,86,41,310	*3,86,41,310*
Total	**3,86,41,310**	*3,86,41,310*
Authorised Share capital :		
46,14,200 fully paid equity shares of ₹ 10 each	4,61,42,000	*4,61,42,000*
Issued and subscribed capital comprises:		
38,64,131 fully paid equity shares of ₹ 10 each *(Previoys year : 38,64,131)*	3,86,41,310	*3,86,41,310*
	3,86,41,310	*3,86,41,310*

15. 1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2018	38,64,131	3,86,41,310
Movements	-	-
Balance at March 31, 2019	**38,64,131**	**3,86,41,310**

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

15. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance at the beginning of the period	38,64,131	*38,64,131*
The holding company	-	-
Total	**38,64,131**	*38,64,131*

15. 3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2019		*As at 31st Mar., 2018*	
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Forbes & Company Limited	38,64,131	100.00	*38,64,131*	*100.00*
Total	**38,64,131**	**100.00**	*38,64,131*	*100.00*

16. Other equity

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Amalgamation reserve	2,04,061	*2,04,061*
b) Securities premium reserve	30,00,71,700	*30,00,71,700*
c) Reserve for equity instruments through other comprehensive income	36,23,63,313	*51,17,13,838*
d) Retained earnings	(38,38,52,228)	*(38,02,77,721)*
e) Capital redemption reserve	75,00,000	*75,00,000*
f) Equity Component in Debentures issued	16,86,26,403	*16,86,26,403*
Total	**45,49,13,249**	*60,78,38,281*

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
16.1 Amalgamation reserve		
Balance at beginning of the year	2,04,061	*2,04,061*
Movements	-	-
Balance at end of the year	**2,04,061**	*2,04,061*
16.2 Securities premium reserve		
Balance at beginning of the year	30,00,71,700	*30,00,71,700*
Movements	-	-
Balance at end of the year	**30,00,71,700**	*30,00,71,700*
16.3 Reserve for equity instruments through other comprehensive income		
Balance at beginning of year	51,17,13,838	*29,05,04,337*
Net fair value gain / (loss) on investments in equity instruments at FVTOCI	(14,93,50,525)	*22,12,09,501*
Balance at end of the year	**36,23,63,313**	*51,17,13,838*
16.4 Retained earnings		
Balance at beginning of year	(38,02,77,721)	*(37,76,71,972)*
Profit / (loss) attributable to owners of the Company	(35,74,507)	*(26,05,749)*
Balance at end of the year	**(38,38,52,228)**	*(38,02,77,721)*
16.5 Capital redemption reserve		
Balance at beginning of the year	75,00,000	*75,00,000*
Movements	-	-
Balance at end of the year	**75,00,000**	*75,00,000*
16.6 Equity Component in Debentures issued		
Balance at beginning of the year	16,86,26,403	*16,86,26,403*
Movements	-	-
Balance at end of the year	**16,86,26,403**	*16,86,26,403*
Total	**45,49,13,249**	*60,78,38,281*

17. Non-current Borrowings

₹

Particulars	Non-current portion As at 31st Mar., 2019	*As at 31st Mar., 2018*
Unsecured – at amortised cost		
(a) **0.1% unsecured optionally convertible redeemable debentures** [1,72,67,500 (*Previous Year: 1,72,67,500)* Debentures of ₹ 10/- each] (Refer Footnote)	**3,98,30,983**	*3,57,18,148*
	3,98,30,983	*3,57,18,148*
Total Non-current borrowings	**3,98,30,983**	*3,57,18,148*

Footnote:

Details of terms of repayment of Debentures:

1. The debentures shall carry interest @ 0.1 % p.a. payable annually.
2. The Company shall at any time after the expiry of 18 months from the date of allotment of the convertible debentures by a written notice of 30 days call upon the holders of convertible debentures to give their consent to the conversion of the debentures into equity shares. The conversion shall be at a price to be determined by the Board of Directors. The equity shares so issued and alloted upon conversion shall rank pari passu with the then existing equity shares in all respect including dividend. In case the holder do not consent to the conversion, the debentures shall be redeemed at par, upon the expiry of 20 years from the date of allotment. the company shall have an option to redeem the same, earlier at any time before the date of maturity after giving a written notice of 30 days.

18. Other financial liabilities

Other financial liabilities - Current

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Interest accrued but not due on borrowings (debentures)	**68,080**	*68,080*
b) Others :-		
- Security deposits	**5,00,000**	*5,00,000*
- - Financial guarantee contracts	**59,090**	*65,098*
	5,59,090	*5,65,098*
Total	**6,27,170**	*6,33,178*

19. Other current liabilities

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Statutory remittances	**15,70,258**	*15,73,817*
b) Others		
- Deposits	**-**	*-*
Total	**15,70,258**	*15,73,817*

20. Trade payables

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Micro and small enterprises	**35,000**	*55,600*
Others	**8,355**	*24,818*
Total	**43,355**	*80,418*

Payable to Micro and small enterprises represents the principal amount. There is no interest due / accrued / paid / payable during the year

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

21. Current tax assets and liabilities

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Current tax assets		
Tax refund receivable	**1,99,88,849**	*2,00,32,104*
	1,99,88,849	*2,00,32,104*
Current Tax Assets (current portion)	**-**	*-*
Current Tax Assets (non-current portion)	**1,99,88,849**	*2,00,32,104*

FORBES CAMPBELL FINANCE LIMITED

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

22. Revenue from operations

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
a) **Operating revenues**		
i) Rent and amenities	6,00,000	*6,00,000*
Total	**6,00,000**	*6,00,000*

23. Other Income

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Interest income earned on financial assets that are not designated at fair value through profit or loss:		
a) Interest Income		
i) Bank deposits	1,155	-
ii) Income Tax refund	8,193	-
Total (a)	**9,348**	-
b) Dividend Income		
i) from long-term investments	4,15,995	*4,15,995*
ii) from current investments	-	-
Total (b)	**4,15,995**	*4,15,995*
c) Other Non-Operating Income (Net of expenses directly attributable to such income)		
i) Others		
Credit balances / excess provision written back	24,818	*3,80,652*
Financial Guarantee Income	29,162	*15,676*
Total (c)	**53,980**	*3,96,328*
Total (a+b+c)	**4,79,323**	*8,12,323*

24. Finance costs

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
(a) **Interest costs :-**		
i) Interest on loans from related parties (debentures)	1,72,675	*1,72,675*
ii) Notional Interest on Debentures from related parties	41,12,835	*36,72,173*
Total	**42,85,510**	*38,44,848*

25. Depreciation and amortisation expense

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
i) Depreciation of investment property	22,840	*22,840*
ii) Amortisation of intangible assets	-	-
Total depreciation and amortisation pertaining to continuing operations	**22,840**	*22,840*

FORBES CAMPBELL FINANCE LIMITED

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

26. A. Other expenses

₹

	Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
a)	**Repairs to :**		
	i) Buildings	50,400	*21,600*
		50,400	*21,600*
b)	Rates and taxes (excluding taxes on income)	76,910	*47,112*
c)	Printing & Stationery	-	-
d)	Legal and professional charges	16,874	*15,100*
r)	Provision for doubtful loans and advances	1,27,952	-
e)	Miscellaneous expenses	4,794	*5,610*
	Total (A)	**2,76,930**	*89,422*
a)	**Audit Fees**		
	i) For statutory audit	41,300	*39,500*
	ii) For other services	26,600	*20,600*
	iii) For reimbursement of expenses	650	*862*
	Total (B)	**68,550**	*60,962*
	Total (A) + (B)	**3,45,480**	*1,50,384*

27. Income taxes relating to operations

27.1 Income tax recognised in profit or loss

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
	-	-
Total income tax expense recognised in the current year relating to continuing Operations	-	-

28. Earnings per share

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
From Continuing operations	**₹. per share**	*₹. per share*
Basic earnings per share	**(0.93)**	*(0.67)*
Diluted earnings per share	**(0.93)**	*(0.67)*

28.1. Basic Earnings per share

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

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Profit for the year attributable to owners of the Company (A)	**(35,74,507)**	*(26,05,749)*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**38,64,131**	*38,64,131*
Basic Earnings per share (A/B)	**(0.93)**	*(0.67)*

28.2 Diluted earnings per share

Note for debentures -

The Company has dilutive capital in the form of Debentures. Since the Company has the option to convert the debenture in to equity shares at a price decided by the Board of Directors, which is not ascertainable at present, diluted potential equity shares for the said convertible debentures are not quantified / considered for calculating diluted earnings per share.

29. Contingent liabilities

₹

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Corporate guarantee issued in favour of Union Bank of India which in turn has issued guarantee on behalf of Forbes Technosys Ltd., a fellow subsidiary of the Company.	**1,50,00,000**	*1,50,00,000*
Income Tax matters in dispute under appeal.	**3,29,88,328**	*3,29,88,328*
Sales Tax Demands by the Madhya Pradesh Sales Tax Authorities for the year 1997-98, 1998-99 and 1999-00.	**10,09,077**	*10,09,077*

30. Operating Lease: Company as lessor

The company has given the licensed premises on operating lease basis, the details of which are as follows:

Class of Asset	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Gross carrying Amount	13,31,694	*13,31,694*
Accumulated Depreciation	8,54,810	*8,31,970*
Depreciation for the year	22,840	*22,840*

31. (a) Related party disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

	Nature of Relationship		Name of entity	Abbreviation used
A	Ultimate Holding Company /	1	Shapoorji Pallonji and Company Private Limited	SPCL
	Holding Company	2	Forbes & Company Limited	F&CL
B	Subsidiary Companies	1	Forbes Campbell Services Limited	FCSL
		2	Forbes Edumetry Limited (*under voluntary winding up*)	FEL
C	Fellow Subsidiaries	1	Forbes Technosys Limited	FTL
	(where there are transactions)	2	Volkart Fleming Shipping and Services Limited	VFSSL
D	Joint Venture	1	Forbes Bumi Armada Limited	FBAL

31. Related party disclosures (contd.)

Current Year

₹

(b) transactions / balances with above mentioned related parties

		A Forbes & Company Ltd.	**Parties in A above**	B Forbes Edumetry Ltd.	**Parties in B above**	C Forbes Technosys Ltd.	**Parties in C above**	**Total**
	Nature of Transaction							
	Balances							
1	Trade Payables	14	**14**	-	**-**	-	**-**	**14**
2	Trade Receivables	90,000	**90,000**	-	**-**	-	**-**	**90,000**
		-	-	-	-	-	-	-
3	Interest accrued but not due on debentures	68,080	**68,080**	-	**-**	-	**-**	**68,080**
4	Long Term Loans and Advances	-	**-**	39,53,952	**39,53,952**	-	**-**	**39,53,952**
5	Provision for Doubtful Advances	-	**-**	39,53,952	**39,53,952**	-	**-**	**39,53,952**
6	Deposits Payable	5,00,000	**5,00,000**	-	**-**	-	**-**	**5,00,000**
7	Debentures held	3,98,30,983	**3,98,30,983**	-	**-**	-	**-**	**3,98,30,983**
	Expenses							
8	Interest Paid	1,72,675	**1,72,675**	-	**-**	-	**-**	**1,72,675**
9	Notional Interest on Debentures	41,12,835	**41,12,835**	-	**-**	-	**-**	**41,12,835**
10	Miscellaneous expenses	12	**12**	-	**-**	-	**-**	**12**
11	Provision for Doubtful Loans & Advances	-	**-**	1,27,952	**1,27,952**	-	**-**	**1,27,952**
	Income							
12	Rent and Other Service Charges	6,00,000	**6,00,000**	-	**-**	-	**-**	**6,00,000**
13	Notional Guarantee Commission	-	**-**	-	**-**	29,162	**29,162**	**29,162**
14	Dividend Received	4,15,995	**4,15,995**	-	**-**	-	**-**	**4,15,995**
	Finance							
15	Advance given during the year	-	**-**	1,27,952	**1,27,952**	-	**-**	**1,27,952**
	Guarantees outstanding							
16	Given on behalf of a Fellow Subsidiary	-	**-**	-	**-**	1,50,00,000	**1,50,00,000**	**1,50,00,000**

31. Related party disclosures (contd.)

Previous Year

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(b) transactions / balances with above mentioned related parties

		A		*B*		*C*		
		Forbes & Company Ltd.	***Parties in A above***	*Forbes Edumetry Ltd.*	***Parties in B above***	*Forbes Technosys Ltd.*	***Parties in C above***	***Total***
	Nature of Transaction							
	Balances							
1	*Interest accrued but not due on debentures*	*68,080*	***68,080***	-	**-**	-	**-**	***68,080***
2	*Long Term Loans and Advances*	-	**-**	*38,26,000*	***38,26,000***	-	**-**	***38,26,000***
3	*Provision for Doubtful Advances*	-	**-**	*38,26,000*	***38,26,000***	-	**-**	***38,26,000***
4	*Deposits Payable*	*5,00,000*	***5,00,000***	-	**-**	-	**-**	***5,00,000***
5	*Debentures held*	*3,57,18,148*	***3,57,18,148***	-	**-**	-	**-**	***3,57,18,148***
	Expenses							
6	*Interest Paid*	*1,72,675*	***1,72,675***	-	**-**	-	**-**	***1,72,675***
7	*Notional Interest on Debentures*	*36,72,173*	***36,72,173***	-	**-**	-	**-**	***36,72,173***
		-	-	-	-	-	-	-
8	*Miscellaneous expenses*	*12*	***12***	-	**-**	-	**-**	***12***
	Income							
9	*Rent and Other Service Charges*	*6,00,000*	***6,00,000***	-	**-**	-	**-**	***6,00,000***
10	*Notional Guarantee Commission*	-	**-**	-	**-**	*15,676*	***15,676***	***15,676***
11	*Dividend Received*	*4,15,995*	***4,15,995***	-	**-**	-	**-**	***4,15,995***
	Guarantees outstanding							
12	*Given on behalf of a Fellow Subsidiary*	-	**-**	-	**-**	*1,50,00,000*	***1,50,00,000***	***1,50,00,000***

32. Segment reporting

The Company has identified business segments as "Investment Activities" and "Real estate".

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

Information about primary business segments for the year: ₹

Particulars	Investment Activities		Real Estate		Total	
	31st Mar., 2019	31st Mar., 2018	31st Mar., 2019	31st Mar., 2018	31st Mar., 2019	31st Mar., 2018
Segment Revenue	4,45,157	4,31,671	6,00,000	6,00,000	10,45,157	10,31,671
Inter segment revenue	-	-	-	-	-	-
Revenue from operations	4,45,157	4,31,671	6,00,000	6,00,000	10,45,157	10,31,671
Segment Results	4,45,157	4,31,671	5,08,500	5,45,427	9,53,657	9,77,098
Exceptional items allocated to segments	-	-	-	-	-	-
Segment Results after exceptional items	4,45,157	4,31,671	5,08,500	5,45,427	9,53,657	9,77,098
Add: Unallocated income					34,166	3,80,652
Less: Unallocated expenses					(2,76,820)	(1,18,651)
(Loss) / Profit before tax and finance costs					7,11,003	12,39,099
Less: Finance costs					42,85,510	38,44,848
(Loss) / Profit before tax					(35,74,507)	(26,05,749)
Provision for taxation:						
Current tax expense					-	-
(Loss) / Profit after tax					(35,74,507)	(26,05,749)
Capital employed						
Segment assets	51,24,66,174	66,17,93,545	5,66,884	4,99,724	51,30,33,058	66,22,93,269
Unallocated corporate assets					2,25,93,267	2,21,91,883
Total assets	51,24,66,174	66,17,93,545	5,66,884	4,99,724	53,56,26,325	68,44,85,152
Segment liabilities	3,98,99,063	3,57,86,228	5,59,090	5,65,098	4,04,58,153	3,63,51,326
Unallocated corporate liabilities					16,13,613	16,54,235
Total liabilities	3,98,99,063	3,57,86,228	5,59,090	5,65,098	4,20,71,766	3,80,05,561
Capital employed	47,25,67,111	62,60,07,317	7,794	(65,374)	49,35,54,559	64,64,79,591
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	-	-	-	-	-	-
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress					-	-
Total capital expenditure					-	-
Segment depreciation / amortisation	-	-	22,840	22,840	22,840	22,840
Unallocated corporate depreciation / amortisation					-	-
Total depreciation / amortisation					22,840	22,840
Non-cash segment expenses other than depreciation	-	-	-	-	-	-
Unallocated non-cash expenses other than depreciation					-	-
Total non-cash expenses other than depreciation					-	-

FORBES CAMPBELL FINANCE LIMITED

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

33. Financial instruments

33.1. 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 offset by cash and bank balances) and equity of the Company (comprising issued capital, retained earnings, security premium, amalgamation capital redemption and other reserves as detailed in notes 15 & 16).

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 debentures. 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.

33.2 Gearing ratio

The gearing ratio at end of the period was as follows :- ₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Long Term Borrowings	3,98,30,983	*3,57,18,148*
Cash and bank balances	25,64,378	*21,49,779*
Net debt	3,72,66,605	*3,35,68,369*
Equity	49,35,54,559	*64,64,79,591*
Net debt to equity ratio (Refer note a)	0.08	*0.05*

Note:-

a) Net Debt Equity Ratio = Long Term Borrowings (less Cash and Bank Balance) / Equity

33.3 Categories of financial instruments

₹

Particulars	Note	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Financial assets			
a)Measured at Amortised Cost			
Cash and bank balances		25,64,378	*21,49,779*
Investments in subsidiaries		4,93,996	*4,93,996*
Investments in associates		11,82,97,778	*11,82,74,624*
Investments in joint ventures		2,80,56,395	*2,80,56,395*
Other Financial Assets		39,155	*10,000*
Sub Total- a		**14,94,51,702**	*14,89,84,794*
b)Measured at FVTOCI			
Equity Investment (Refer Note 9 A)	1	36,56,18,005	*51,49,68,530*
Sub Total- b		**36,56,18,005**	*51,49,68,530*
Total (a + b)		**51,50,69,707**	*66,39,53,324*
Financial liabilities			
Measured at Amortised Cost			
Borrowings		3,98,30,983	*3,57,18,148*
Trade and other payables		43,355	*80,418*
Other financial liabilities		6,27,170	*6,33,178*
Total		**4,05,01,508**	*3,64,31,744*

Note 1 :- Fair Value of 1,66,398 number of equity shares of face value of Rs. 10 each held in Forbes & Company Limited (Holding Company) is valued at quoted prices as fair value hierarchy of level 1.

33.4 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

a) Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

b) Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and bank balance to meet obligations when due. The company manages liquidity risk by short & long term borrowings and maintaining adequate funds , by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2018 and March 31, 2017 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹

Maturities of Financial Liabilities	**31st March, 2019**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings	-	-	-	17,26,75,000
Trade Payables	43,355			
Other Financial Liabilities	6,27,170			
	6,70,525	**-**	**-**	**17,26,75,000**

₹

Maturities of Financial Liabilities	*31st March, 2018*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Borrowings	*-*	*-*	*-*	*17,26,75,000*
Trade Payables	*80,418*			
Other Financial Liabilities	*6,33,178*			
	7,13,596	*-*	*-*	*17,26,75,000*

34. Micro, Small and Medium Enterprises

On the basis of responses received against enquiries made by the Company, there is an amount of ₹ 35,000 outstanding in respect of Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date. The Company has not defaulted in payment of dues to such entities during the year.

35. As at 31st March, 2019, the Company has investments of Rs. 11,82,74,624/- in equity shares of Forbes Technosys Limited (FTL). The accumulated losses of FTL have exceeded 50% of its equity capital. Considering the future growth prospects of the Company, supported by an external valuation report, the management believes that there is no impairment in the investment and hence no provision is considered necessary.

36. The Company has adopted IND AS 115 " Revenue from contracts with customer" effective April,1 2018 using the modified retrospective transition approach, based on assessment done by the management, there is no material impact on the revenue recognition during the period.

37. Net debt reconciliation

₹

	31st Mar., 2019	*31st Mar., 2018*
Long Term Borrowings	(3,98,30,983)	*(3,57,18,148)*
Total debt	**(3,98,30,983)**	*(3,57,18,148)*
Cash & Cash equivalents	25,64,378	*21,49,779*
Net debt	**(3,72,66,605)**	*(3,35,68,369)*

₹

	Other assets	**Liabilities from financing activities**		
	Cash and bank overdraft	**Non-current borrowings**	**Total**	
Net debt as at 1st April, 2018	**21,49,779**	**(3,57,18,148)**	**(3,35,68,369)**	-
Cash flows	4,14,599	(82,25,669)	(78,11,070)	
Interest expense	-	42,85,510	42,85,510	
Interest paid	-	(1,72,676)	(1,72,676)	
Net debt as at 31st March, 2019	**25,64,378**	**(3,98,30,983)**	**(3,72,66,605)**	-

38. Figures for the previous year have been regrouped wherever necessary.

In terms of our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Reg No:101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE ________________________ *Chairperson*

S.P. KADAKIA ____________________________

MR. PANKAJ KHATTAR ______________________

Directors

Mumbai, 6th May, 2019

FORBES CAMPBELL SERVICES LIMITED

(Subsidiary Company of Forbes Campbell Finance Limited)

Financial Statements

For the Year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FORBES CAMPBELL SERVICES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of FORBES CAMPBELL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss, Statement of changes in equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information. (herein after referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, 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.

Information Other than the Financial Statements & Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 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

The Company's management and Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Company's management and Board of Directors are 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 the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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 financial statements.

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

i. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of 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.

ii. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

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

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31stMarch, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

i. The Company does not have any pending litigations which would impact its financial position in its Standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Atul HMV & Associates LLP
Chartered Accountants

FRN: 124043W

Hemanshu M. Vora
Partner

Mem. No. 100283

Place: Mumbai

Date: April 23, 2019

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

Annexure A referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" Section of our Report of even date to the Members of FORBES CAMPBELL SERVICES LTD (the Company), on the Standalone Financial Statements for the year ended March 31 2019, we report that:

(i) The company does not have any fixed assets. Accordingly the provisions of clause 3 (i) of the Companies (Auditor's report) Order, 2016 are not applicable.

(ii) The company does not have any inventory. Accordingly the provisions of clause 3 (ii) of the Companies (Auditor's report) Order, 2016 are not applicable.

(iii) According to information and explanations given to us, The Company has not granted any loans, secured or unsecured to the Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Consequently, clauses (iii) (a), (iii) (b) and (iii) (c) of paragraph 3 of the Order are not applicable

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans given, investments made, guarantees and securities given.

(v) The Company has not accepted any deposits within the meaning of provisions of Section 73 to 76 of the Act or any other relevant provision of the Companies Act, 2013 and the rules framed there under.

(vi) The Central Government has not prescribed the maintenance of cost records under subsection (1) of section 148 of the Act, for any services rendered by the Company.

(vii) (a) According to information and explanations given to us and the records of the company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employee's state insurance, income tax, and Goods and

Service tax (GST). The provisions of Sales Tax, Value Added Tax, Customs Duty, Excise Duty and Cess are not applicable to the company

(b) As per information and explanation given to us, there are no dues of income tax or sales tax or service tax or Goods and Service tax (GST) or duty of customs or duty of excise or value added tax which has not been deposited on account of dispute.

(viii) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings from banks, financial institutions or government or issued any debentures. Thus, provisions of clause 3 (viii) of the Companies (Auditor's report) Order, 2016 are not applicable.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and terms loans. Thus, provisions of clause 3 (ix) of the Companies (Auditor's report) Order, 2016 are not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) According to information and explanations given to us, the Company has not provided any managerial remuneration. Thus, provisions of clause 3 (xi) of the Companies (Auditor's report) Order, 2016 are not applicable.

(xii) The Company is not a Nidhi Company. Thus, provisions of clause 3 (xii) of the Companies (Auditor's report) Order, 2016 are not applicable.

(xiii) According to the information and explanations given to us and the records examined, all the transaction with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 and details have been disclosed in the financial statement etc. as required by the applicable Accounting Standards.

(xiv) According to the information and explanation given to us, company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year under review and hence provisions of this clause are not applicable.

(xv) According to the information and explanations given to us, company has not entered into any non–cash transaction with director or persons connected with him.

(xvi) According to the information and explanations given to us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Atul HMV & Associates LLP
Chartered Accountants

FRN No: 124043W

Hemanshu M. Vora
Partner

Membership No. 100283

Place: Mumbai

Date: April 23, 2019

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF FORBES CAMPBELL SERVICES LIMITED

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

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

Management's Responsibility for Internal Financial Controls

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 inthe Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued bythe 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Atul HMV & Associates LLP

Chartered Accountants

FRN No: 124043W

Hemanshu M. Vora
Partner

Membership No. 100283

Place: Mumbai

Date: April 23, 2019

FORBES CAMPBELL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31st Mar., 2019 ₹	*As at 31st Mar., 2018 ₹*
ASSETS			
1 Non-current assets			
a **Financial Assets:**			
i) Other financial assets	**6A**	1,04,777	*84,777*
		1,04,777	*84,777*
b **Tax assets**			
i) Deferred tax assets (net)	**12**	**14,072**	*21,256*
ii) Current tax assets (net)	**15**	**60,760**	*2,958*
		74,832	*24,214*
c Other non-current assets	**8A**	-	*76,284*
Total Non-current assets		**1,79,609**	*1,85,275*
2 Current assets			
a **Financial Assets:**			
i) Trade receivables	**4**	5,16,200	-
ii) Cash and cash equivalents	**7**	14,90,523	*22,95,005*
iii) Loans	**5**	-	*3,338*
iv) Other financial assets	**6B**	6,329	*6,329*
		20,13,052	*23,04,672*
b Other current assets	**8B**	492	*4,680*
Total Current assets		**20,13,544**	*23,09,352*
Total Assets		**21,93,153**	*24,94,627*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**9**	5,00,000	*5,00,000*
b Other equity	**10**	13,60,543	*11,88,253*
Equity attributable to owners of the Company		**18,60,543**	*16,88,253*
Total Equity		**18,60,543**	*16,88,253*
Liabilities			
1 Non-current liabilities			
a Provisions	**11A**	1,02,250	*1,20,129*
Total Non-current liabilities		**1,02,250**	*1,20,129*
2 Current liabilities			
a **Financial liabilities:**			
i) Trade and other payables	**14**	1,32,437	*4,88,659*
		1,32,437	*4,88,659*
b Provisions	**11B**	**10,000**	*11,916*
c Current tax liabilities (net)	**15**	**26,873**	*42,173*
d Other current liabilities	**13**	**61,050**	*1,43,497*
Total Current Liabilities		**2,30,360**	*6,86,245*
Total Liabilities		**3,32,610**	*8,06,374*
Total Equity and Liabilities		**21,93,153**	*24,94,627*
See accompanying notes forming part of the financial statements	**1 to 26**		

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ____________ *Chairperson*

RAVI C. PREM ____________

PANKAJ KHATTAR ____________

Directors

Mumbai, 23rd April, 2019

FORBES CAMPBELL SERVICES LIMITED

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

	Particulars	Note No.	Year Ended 31st Mar., 2019 ₹	*Year Ended 31st Mar., 2018 ₹*
I	Revenue from operations	**16**	33,15,000	*52,80,000*
II	Other income	**17**	70,288	*39,360*
III	**Total Income (I + II)**		**33,85,288**	*53,19,360*
IV	**Expenses:**			
	Employee benefits expense	**18**	18,37,731	*18,21,575*
	Other expenses	**19**	13,16,174	*28,76,783*
	Total expenses		**31,53,905**	*46,98,358*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**2,31,383**	*6,21,002*
VI	Exceptional items		-	-
VII	**Profit / (Loss) before tax (V + VI)**		**2,31,383**	*6,21,002*
VIII	**Tax expense / (credit):**			
	Current tax	**20**	**51,909**	*1,55,000*
	Deferred tax	**20**	**7,184**	*5,395*
			59,093	*1,60,395*
IX	**Profit for the period (VII - VIII)**		**1,72,290**	*4,60,607*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share	**21**	₹ **3.45**	₹ *9.21*

See accompanying notes forming part of the financial statements **1 to 26**

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ______________________ *Chairperson*

RAVI C. PREM ______________________

PANKAJ KHATTAR ______________________

Directors

Mumbai, 23rd April, 2019

FORBES CAMPBELL SERVICES LIMITED

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

		Year Ended 31st Mar., 2019 ₹		*Year Ended 31st Mar., 2018 ₹*	
Cash flows from operating activities					
Profit before tax			**2,31,383**		*6,21,002*
Adjustments for -					
Interest Income		(70,288)		*(39,360)*	
			(70,288)		*(39,360)*
Operating profit / (loss) before working capital changes			**1,61,095**		*5,81,642*
Movements in working capital:					
Decrease / (increase) in trade receivables and other receivables		(5,32,862)		*14,155*	
(Increase)/decrease in other assets		80,472		*(70,044)*	
Increase / (decrease) in trade payables and other payables		(3,56,222)		*3,74,179*	
Increase / (decrease) in provisions		(19,795)		*(6,822)*	
Increase / (decrease) in other liabilities		(82,447)		*97,984*	
			(9,10,854)		*4,09,452*
Cash generated from / (used in) operations			**(7,49,759)**		*9,91,094*
Income taxes paid (net of refunds)			**(1,25,011)**		*(1,22,858)*
(a) Net cash generated from / (used in) operating activities			**(8,74,770)**		*8,68,236*
Cash flows from investing activities:					
Interest received		70,288		*33,031*	
(b) Net cash generated from / (used in) investing activities			**70,288**		*33,031*
Cash flows from financing activities:					
(c) Net cash generated from / (used in) financing activities			**-**		*-*
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)			**(8,04,482)**		*9,01,267*
(e) Cash and cash equivalents as at the commencement of the year			**22,95,005**		*13,93,738*
(f) Cash and cash equivalents as at the end of the year (d + e)			**14,90,523**		*22,95,005*
See accompanying notes forming part of the financial statements	**1 to 26**				

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ________________________ Chairperson

RAVI C. PREM ______________________________ Directors

PANKAJ KHATTAR ___________________________

Mumbai, 23rd April, 2019

FORBES CAMPBELL SERVICES LIMITED

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

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

A. Equity share capital

	No.of Shares	Amount `
Balance at March 31, 2018	**50,000**	**5,00,000**
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	**50,000**	**5,00,000**

B. Other Equity ₹

	Attributable to Owners	
	Reserves and surplus	Total Other Equity
	Retained earnings	Total
Total comprehensive income for the year 31st March 2018	11,88,253	**11,88,253**
Profit for the year	1,72,290	**1,72,290**
Total comprehensive income for the year 31st March 2019	13,60,543	**13,60,543**

See accompanying notes forming part of the financial statements **1 to 26**

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ______________________ *Chairperson*

RAVI C. PREM ____________________________ *Directors*

PANKAJ KHATTAR _________________________

Mumbai, 23rd April, 2019

1. GENERAL INFORMATION

Forbes Campell Services Limited was incorporated on 7th January, 1975 in India having registered office 21 A.K. Nayak Marg, Fort, Mumbai 400 001. The Company is subsidiary of Forbes Campbell Finance Limited and is mainly engaged in the rendering of services.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance

The separate financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

ii) Basis of Preparation and Presentation

The separate financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

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

iii) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity 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 profit or 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

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 profit or loss. The net gain or loss recognised in profit or 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 and other contractual rights to receive cash or other financial asset.

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

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

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. 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 profit or loss.

iv) 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.

v) Employee Benefits

a) Short-term obligations

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 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 benefit obligations

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 profit or 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 provident fund, pension
- Defined Benefit plans such as gratuity

d) Defined Contribution Plans

The Company's contribution to provident 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.

e) Defined Benefit Plan

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity. Provisions for liabilities in respect of gratuity are based on Employees Group Gratuity Scheme with Life Insurance Corporation of India and are administered through trust formed for this purposes. The liability, if any, not provided for will be accounted in the year of payment.

vi) 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.

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.

vii) Revenue recognition

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

Income from services is recognised as and when the services are performed.

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.

viii) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

ix) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

x) Segment Reporting

As the company's activity falls within a single segment viz. Service activities, the disclosure requirements in Accounting Standard on Segment Reporting (AS - 17) notified under the Companies (Accounts) Rules, 2014 is not applicable.

FORBES CAMPBELL SERVICES LIMITED

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

4. Trade receivables

Trade receivables- Current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Trade receivables		
a) Unsecured, considered good	5,16,200	-
Less: Allowance for doubtful debts	-	-
Total (a)	**5,16,200**	-

5. Loans

₹

Loans · Loans - Current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Loans and advances to employees		
- Unsecured, considered good	-	*3,338*
Less : Allowance for doubtful loans and advances	-	-
sub total (a)	**-**	*3,338*

6. Other financial assets

6A. Other financial assets - Non current

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Security deposits		
- Unsecured, considered good	1,04,777	*84,777*
Less : Allowance for bad and doubtful loans / deposits	-	-
sub total (a)	**1,04,777**	*84,777*

6B. Other financial assets - Current

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Accruals:		
i) Interest accrued on deposits with bank	6,329	*6,329*
sub total (a)	**6,329**	*6,329*

FORBES CAMPBELL SERVICES LIMITED

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

7. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
Balances with Banks		
a) In current accounts	3,82,597	*17,88,284*
b) Deposits accounts	11,00,000	*5,00,000*
	14,82,597	*22,88,284*
Cash on hand	7,926	*6,721*
Cash and cash equivalents as per balance sheet	**14,90,523**	*22,95,005*

8. Other assets

₹

8A. Other assets - Non Current

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
a) Balances with statutory / government authorities		
- Unsecured, considered good	-	*76,284*
sub total (a)	**-**	*76,284*

8B. Other assets - Current

Particulars	**As at 31st Mar., 2019**	*As at 31st Mar., 2018*
a) Advances for supply of goods and services		
- Unsecured, considered good	492	-
Less : Allowance for doubtful advances	-	-
	492	-
b) Prepaid expenses	-	*4,680*
sub total (a+b)	**492**	*4,680*

FORBES CAMPBELL SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

9. Equity Share Capital

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Authorised Share capital :		
50,000 fully paid equity shares of ₹ 10 each	**5,00,000**	*5,00,000*
Issued and subscribed capital comprises:		
50,000 fully paid equity shares of ₹ 10 each		
(Previous year : 50,000)	**5,00,000**	*5,00,000*
	5,00,000	*5,00,000*

9. 1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2018	**50,000**	**5,00,000**
Movements	-	-
Balance at March 31, 2019	**50,000**	**5,00,000**

Fully paid equity shares, which have a par value of ₹ 10, carry one vote per share and carry a right to dividends.

9. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and

Particulars	Fully paid ordinary shares	
	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Balance at the beginning of the period		
The holding company	**49,000**	*49,000*
The ultimate controlling party	-	-
Subsidiaries of the holding company	-	-
Total	**49,000**	*49,000*

9. 3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2019		*As at 31st Mar., 2018*	
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Forbes Campbell Finance Limited	**49,000**	**98.00**	*49,000*	*98.00*
Total	**49,000**	**98.00**	*49,000*	*98.00*

10. Other equity excluding non-controlling interests

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Retained earnings		
Balance at beginning of year	**11,88,253**	*7,27,646*
Profit attributable to owners of the Company	**1,72,290**	*4,60,607*
Balance at end of the year	**13,60,543**	*11,88,253*
b) Others	-	-
Total	**13,60,543**	*11,88,253*

11. Provisions

11A. Provisions - Non current

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
a) Employee benefits		
Compensated absences	**1,02,250**	*1,20,129*
Total	**1,02,250**	*1,20,129*

11B. Provisions - Current

a) Employee benefits		
Compensated absences	**10,000**	*11,916*
Total	**10,000**	*11,916*

12. Deferred tax balances

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

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Deferred tax assets	**14,072**	*21,256*
Deferred tax liabilities	**-**	*-*
Net	**14,072**	*21,256*

Current Year (2018-19)

₹

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/assets in relation to:					
a) Provisions	21,256	(7,184)	-	-	14,072
Total (A) ...	**21,256**	**(7,184)**	**-**	**-**	**14,072**
b) Tax losses					-
Total (B) ...	**-**	**-**	**-**	**-**	**-**
Total (A+B) ...	**21,256**	**(7,184)**	**-**	**-**	**14,072**

Previous Year (2017-18)

₹

Particulars	*Opening balance*	*Recognised in profit or loss*	*Recognised in other comprehensive income*	*Recognised directly in equity*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:					
a) Provisions	*26,651*	*(5,395)*	*-*	*-*	*21,256*
Total (A) ...	*26,651*	*(5,395)*	*-*	*-*	*21,256*
b) Tax losses					*-*
Total (B) ...	*-*	*-*	*-*	*-*	*-*
Total (A+B) ...	*26,651*	*(5,395)*	*-*	*-*	*21,256*

13. Other current liabilities

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Other current liabilities		
a) Statutory remittances	**61,050**	*1,43,497*
Total	**61,050**	*1,43,497*

14. Trade payables

₹

Trade payables - Current

a) Trade payables	**1,32,437**	*4,88,659*
Total	**1,32,437**	*4,88,659*

15. Current tax assets and liabilities

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Current tax assets		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	**-**	*-*
Tax refund receivable (net of provision for tax)	**60,760**	*2,958*
Others [describe]	**-**	*-*
	60,760	*2,958*
Current tax liabilities		
Income tax payable (net of advance tax)	**26,873**	*42,173*
Others [describe]	**-**	*-*
	26,873	*42,173*
Current Tax Assets (current portion)	**-**	*-*
Current Tax Assets (non-current portion)	**60,760**	*2,958*

FORBES CAMPBELL SERVICES LIMITED

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

16. Revenue from operations

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
a) **Sale of services**		
i) Service Charges	33,15,000	*52,80,000*
Total	**33,15,000**	*52,80,000*

17. Other Income

a) Interest Income

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
i) On Bank deposits	70,288	*38,412*
ii) From Customers and others	-	*948*
Total (a)	**70,288**	*39,360*

FORBES CAMPBELL SERVICES LIMITED

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

18. Employee benefits expense

₹

	Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
i)	Salaries and Wages	14,72,704	*16,41,103*
ii)	Contribution to provident and other funds	3,56,280	*1,59,200*
iii)	Staff Welfare Expenses	8,747	*21,272*
	Total	**18,37,731**	*18,21,575*

19. Other expenses

₹

	Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
a)	**Repairs to :**		
	i) Others	-	*1,500*
		-	*1,500*
b)	Rates and taxes (excluding taxes on income)	2,500	*2,700*
c)	Printing & Stationery	2,400	*3,155*
d)	Legal and professional charges	12,35,917	*24,71,933*
e)	Travelling and conveyance	17,440	*3,46,050*
f)	Miscellaneous expenses	32,917	*21,320*
	Sub Total (a)	**12,91,174**	*28,46,658*
g)	**Payment to Statutory auditors**		
	i) For audit	25,000	*25,125*
	ii) For taxation matters	-	*5,000*
	Sub Total (b)	**25,000**	*30,125*
	Total (a + b)	**13,16,174**	*28,76,783*

FORBES CAMPBELL SERVICES LIMITED

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

20. Income taxes relating to continuing operations

₹

20.1 Income tax recognised in profit or loss

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Current tax		
In respect of the current year	**54,000**	*1,55,000*
In respect of prior years	(2,091)	-
	51,909	*1,55,000*
Deferred tax		
In respect of the current year	7,184	-
In respect of the previous year	-	*5,395*
	7,184	*5,395*
Total income tax expense recognised in the current year relating to continuing Operations	**59,093**	*1,60,395*

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

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Profit before tax from continuing operations	**2,31,383**	*6,21,002*
Income tax expense calculated at 26% (2017-18: 25.75%)	60,160	*1,59,908*
Effect of expenses that are deductible in determining taxable profit on payment/reversal	83	-
Others	941	*487*
Adjustments recognised in the current year in relation to the current tax of prior years	(2,091)	-
Income tax expense recognised in profit or loss (relating to continuing operations)	**59,093**	*1,60,395*

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate payable by corporate entities in India on taxable profits under the Indian tax law.

FORBES CAMPBELL SERVICES LIMITED

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

21. Earnings per share

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
From Continuing operations	**₹ per share**	*₹ per share*
Basic earnings per share	**3.45**	*9.21*
Diluted earnings per share	**3.45**	*9.21*

21.1 Basic Earnings per share

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

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Profit for the year attributable to owners of the Company (A)	**1,72,290**	*4,60,607*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**50,000**	*50,000*
Basic Earnings per share (A/B)	**3.45**	*9.21*

21.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows.

The weighted average number of equity shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share as follows:

₹

Particulars	Year Ended 31st Mar., 2019	*Year Ended 31st Mar., 2018*
Earnings used in the calculation of basic earnings per share	**1,72,290**	*4,60,607*
Adjustments	**-**	*-*
Earnings used in the calculation of diluted earnings per share (A)	**1,72,290**	*4,60,607*
Weighted average number of equity shares used in the calculation of basic earnings per share	**50,000**	*50,000*
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	**50,000**	*50,000*
Diluted earnings per share (A/B)	**3.45**	*9.21*

FORBES CAMPBELL SERVICES LIMITED

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

22. (a) Related party disclosures

(A) Holding Company / Ultimate Holding Company

1. Shapoorji Pallonji & Company Limited (*Ultimate Holding Company*)
2. Forbes & Company Limited (*Intermediary Holding Company*)
3. Forbes Campbell Finance Limited (*Holding Company*)

(B) Fellow Subsidiaries (where there are transactions)

1. Campbell Properties & Hospitality Services Ltd.
2. Volkart Fleming Shipping & Services Ltd.

Current year

(b) transactions/ balances with above mentioned related parties

₹

	A Forbes & Company Ltd.	Parties in A above	B Volkart Fleming Shipping and Services Ltd.	Parties in B above	Total
Nature of Transaction					
Balances					
1 Trade Payables	14	**14**	6,744	**6,744**	**6,758**
2 Trade Receivables	4,87,200	**4,87,200**	29,000	**29,000**	**5,16,200**
Sales / Services					
3 Services Rendered	28,50,000	**28,50,000**	4,65,000	**4,65,000**	**33,15,000**
Expenses					
4 Miscellaneous expenses	12	**12**	-	**-**	**12**
Other Receipts / Payments					
5 Other Reimbursements (Payments)	3,47,102	**3,47,102**	2,64,932	**2,64,932**	**6,12,034**

Related party disclosures (contd.)

Previous year

(b) transactions/ balances with above mentioned related parties

₹

	A *Forbes & Company Ltd.*	***Parties in A above***	*B* *Campbell Properties & Hospitality Services Ltd.*	*B* *Volkart Fleming Shipping and Services Ltd.*	***Parties in B above***	***Total***
Nature of Transaction						
Balances						
1 Trade Payables	*-*	***-***	*3,61,688*	*-*	***3,61,688***	***3,61,688***
Sales / Services						
1 Services Rendered	*46,80,000*	***46,80,000***	*-*	*6,00,000*	***6,00,000***	***52,80,000***
Expenses						
1 Reimbursements	*79,200*	***79,200***	*-*	*-*	***-***	***79,200***
2 Travelling / Lodging Exps.	*-*	***-***	*3,11,800*	*-*	***3,11,800***	***3,11,800***
3 Miscellaneous expenses	*12*	***12***	***-***	*-*	***-***	***12***

23. Financial instruments

23.1 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 equity of the Company (comprising issued equity capital and retained earnings as detailed in notes 8 to 9).

23.2 Categories of financial instruments

₹

Particulars	As at 31st Mar., 2019	*As at 31st Mar., 2018*
Financial assets		
Measured at Amortised Cost		
a) Cash and bank balances	**14,90,523**	*22,95,005*
b) Trade Receivables	**5,16,200**	-
c) Loans	**-**	*3,338*
Financial liabilities		
Measured at Amortised Cost		
a) Trade payables	**1,32,437**	*4,88,659*

23.3 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and bank balance to meet obligations when due. The company manages liquidity risk by maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Liquidity risk tables

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 undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the rate applicable as of March 31, 2019 and March 31, 2018 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹

Maturities of Financial Liabilities	31st Mar., 2019			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	1,32,437			
	1,32,437	-	-	-

Maturities of Financial Liabilities	*31st Mar., 2018*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Trade Payables	*4,88,659*			
	4,88,659	-	-	-

FORBES CAMPBELL SERVICES LIMITED

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

24. The Company has adopted IND AS 115 " Revenue from contracts with customer" effective April,1 2018 using the modified retrospective transition approach, based on assessment done by the management, there is no material impact on the revenue recognition during the period.

25. No amount is due to Small Scale Industries (SSI) as at 31st March, 2019, as defined under Micro, Small & Medium Enterprises Development Act, 2006.

26. Figures for the previous year have been regrouped wherever necessary.

In terms of our report attached
For Atul HMV & Associates LLP
Chartered Accountants
FRN No: 124043W

Hemanshu M. Vora
Partner
Mem No.: 100283
Mumbai, 23rd April, 2019

SHRIKRISHNA BHAVE ______________________ *Chairperson*

RAVI C. PREM ______________________

PANKAJ KHATTAR ______________________

Directors

Mumbai, 23rd April, 2019

Forbes Enviro Solutions Limited
(a wholly owned subsidiary of Eureka Forbes Limited)

Financial Statements
For the year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Forbes Enviro Solutions Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forbes Enviro Solutions Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 36 of the financial statements, in view of the accumulated losses, we have considered and relied on the parent company's continued operational and financial support to the Company and based on this, the financial statements have been prepared on the Going Concern basis. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Company’s Board Report, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 34 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 6th May, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The company does not have ownership of any immovable property.

(ii) The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the products of the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of sales tax and income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	Nature of dues	Amount under dispute (Rs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act	Maharashtra Value Added Tax	10,71,025	2002-03, 2004-05	Commissioner of Sales Tax
	Central Sales Tax	34,851	2004-05	Commissioner of Sales Tax
Income Tax Act	Income Tax Dues	4,350	AY 2010-11	Assessing Authority
		115,060	AY 2009-10	Assessing Authority
		53,470	AY 2007-08	Assessing Authority
		157,677	AY 2006-07	Assessing Authority

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no borrowings from financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 6^{th} May, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of Forbes Enviro Solutions Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's

Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : 6th May, 2019

BALANCE SHEET AS AT 31ST MARCH, 2019

			Notes	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	26.30	24.10
(b)		Intangible assets	5	1.05	1.15
(c)		Financial assets			
	(i)	Other financial assets	9	36.47	20.60
(d)		Tax assets			
	(i)	Deferred tax asset (Net)	17	31.21	25.65
	(ii)	Current tax asset (Net)	21	96.28	89.06
(e)		Other non-current assets	12	121.64	111.52
		Total Non-current Assets		312.95	272.08
		Current Assets			
(a)		Inventories	10	181.74	198.66
(b)		Financial assets			
	(i)	Investments	6	1.88	1.91
	(ii)	Trade receivables	7	783.20	778.44
	(iii)	Cash and cash equivalents	11	79.03	40.91
	(iv)	Bank balances other than (iii) above	11	16.86	30.78
	(v)	Loans	8	-	-
	(vi)	Other financial assets	9	0.94	1.20
(c)		Income Tax Asset (Net)	21	-	-
(c)		Other current assets	12	35.56	99.95
				1,099.21	1,151.85
		Total Current Assets		1,099.21	1,151.85
		Total Assets		1,412.16	1,423.93
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	13	282.73	282.73
(b)		Other Equity	14	(217.48)	(149.88)
		Total Equity		65.25	132.85
		Liabilities			
		Non-current Liabilities			
(a)		Financial liabilities		-	-
(b)		Provisions	16	2.71	3.93
		Total Non-current Liabilities		2.71	3.93
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	19	448.24	436.71
	(ii)	Trade and other payables		-	-
	(a)	Total outstanding dues of micro and small enterprises	20	126.05	23.69
	(b)	Total outstanding dues other than (ii) (a) above	20	657.68	721.60
	(iii)	Other financial liabilities	15	26.58	49.26
(b)		Provisions	16	1.93	10.84
(c)		Current tax liabilities (Net)	21	37.56	37.59
(d)		Other current liabilities	18	46.16	7.46
		Total Current Liabilities		1,344.20	1,287.15
		Total Liabilities		1,346.91	1,291.08
		Total Equity and Liabilities		1,412.16	1,423.93
				-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran - Director

R.S.Moorthy - Director

ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna - Director

Mumbai, Dated 06th May,2019.

Statement of Profit and Loss for the year ended 31st March, 2019

		Notes	Year 2018-19 (₹ Lakh)	Year 2017-18 (₹ Lakh)
I	Income			
	Revenue from Operations	22	2,592.51	2,655.48
	Other income and other gains / (losses)	23	9.22	14.80
	Total Income		2,601.73	2,670.28
II	Expenses			
	Cost of materials consumed	24	1,841.40	1,904.64
	Purchases of stock-in-trade		63.75	152.21
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		98.72	(69.48)
	Excise Duty on sale of goods		-	2.95
	Employee benefits expense	25	225.92	275.11
	Finance costs	26	49.19	47.01
	Depreciation and amortisation expense	27	5.36	7.59
	Other expenses	28	393.20	471.53
	Total expenses		2,677.54	2,791.56
III	Profit/(Loss) before exceptional items and tax		(75.81)	(121.28)
	Add/ (Less) : Exceptional items			-
IV	Profit/(Loss) before tax		(75.81)	(121.28)
	Less: Tax expense			
(1)	Current tax	29.1	-	-
(2)	Prior year tax Provision		(0.70)	4.46
(3)	Deferred tax - Debit/(Credit)		(5.56)	7.17
			(6.26)	11.63
V	Profit/(Loss) for the year		(69.55)	(132.91)
VI	Other Comprehensive Income			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		1.96	2.91
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss		-	-
			1.96	2.91
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
			-	-
	Total other comprehensive income (A + B)		1.96	2.91
	Total comprehensive income for the period (V+VI)		(67.59)	(130.00)
	Profit for the year attributable to:			
	- Owners of the Company		(69.55)	(132.91)
			(69.55)	(132.91)
	Other comprehensive income for the year attributable to			
	- Owners of the Company		1.96	2.91
			1.96	2.91
	Total comprehensive income for the year attributable to			
	- Owners of the Company		(67.59)	(130.00)
			(67.59)	(130.00)
	Earnings per equity share	30		
	(1) Basic (in Rs.)		(2.46)	(4.70)
	(2) Diluted (in Rs.)		(2.46)	(4.70)

As per our report of even date
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Vikram Surendran — Director

R.S.Moorthy — Director

ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May,2019.

Director

Forbes Enviro Solutions Limited

Cash Flow Statement for the year ended 31st March, 2019

	Notes	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Cash flows from operating activities			
Profit/loss before tax for the year		(75.81)	(121.28)
Adjustments for:			
Finance costs recognised in profit or loss		49.19	47.01
Investment(gain)/loss recognised in profit or loss		0.03	(0.15)
Interest Income		(2.84)	(3.06)
(Profit)/Loss on disposal of property, plant and equipment		-	(0.07)
Provision for doubtful debt		25.88	(3.57)
Write-off of doubtful debts, advances and other current assets		14.65	35.88
Depreciation and amortisation of fixed assets/ intangibles		5.36	7.59
		16.46	(37.65)
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(45.31)	485.65
(Increase)/decrease in inventories		16.92	(56.85)
(Increase)/decrease in current loans and advances		-	0.05
(Increase)/decrease in current other assets		64.39	(35.91)
(Increase)/decrease in non current other assets		(10.12)	29.99
(Increase)/decrease in current other financial assets		0.40	-
(Increase)/decrease in non current other financial assets		7.24	2.57
Increase/ (Decrease) in trade and other payables		38.44	(294.10)
Increase/(Decrease) in provisions		(8.16)	0.17
Increase/(Decrease) in other liabilities		16.02	(65.67)
Cash generated from operations		96.28	28.25
Income taxes paid (net of refunds)		(6.55)	(22.73)
Net cash generated by operating activities		89.73	5.52
Cash flows from investing activities			
Interest Income		2.84	3.06
Payments for property, plant and equipment		(7.28)	(6.32)
Proceeds from disposal of property, plant and equipment		-	0.22
Payments for intangible assets		(0.18)	
Net Movement in Bank Balance not considered as Cash & Cash equivalents		(9.33)	2.86
Net cash (used in)/generated by investing activities		(13.95)	(0.18)
Cash flows from financing activities			
Net increase / (decrease) in working capital borrowings		11.53	60.55
Interest expense		(49.19)	(47.06)
Net cash used in financing activities		(37.66)	13.49
Net increase in cash and cash equivalents		38.12	18.83
Cash and cash equivalents at the beginning of the year		40.91	22.07
Cash and cash equivalents at the end of the year		79.03	40.91
Less Bank Overdraft		-	-
Net Cash and cash equivalents at the end of the year		79.03	40.91

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Vikram Surendran — Director

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ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May ,2019.

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

a. Equity share capital	No.of Shares (in Lakh)	Amount (₹ Lakh)
Balance at April 1, 2017	28.27	282.73
Changes in equity share capital during the year	-	-
Balance at March 31, 2018	28.27	282.73
Changes in equity share capital during the year	-	-
Balance at March 31, 2019	28.27	282.73

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings (₹ Lakh)	Remeasurement of Employee benefit (₹ Lakh)	(₹ Lakh)
Balance at 1st April 2017	(18.94)	(0.95)	(19.89)
Profit for the year	(132.91)		(132.91)
Other comprehensive income for the year, net of income tax		2.91	2.91
Transfer to retained earnings	1.96	(1.96)	-
Total comprehensive income for the year 31st March 2018	(149.89)	-	(149.89)
Profit for the year	(69.55)	-	(69.55)
Other comprehensive income for the year, net of income tax	-	1.96	1.96
Total comprehensive income for the year 31st March 2019	(69.55)	1.96	(67.59)
Transfer to retained earnings	1.96	(1.96)	
Balance as at 31st March 2019	(217.48)	-	(217.48)

As per our report of even date
For BATLIBOI & PUROHIT
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Vikram Surendran — Director

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ATUL MEHTA
Partner
Membership No.15935

Ashu Khanna — Director

Mumbai, Dated 06th May ,2019

Notes to the financial statements for the year ended March 31, 2019

1.Reporting entity

Forbes Enviro Solutions Limited (the 'company') is a company domiciled in India, with its registered office situated at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

The manufacturing facility of the company is located at 143, C-4, Bommasandra Industrial Area, off. Hosur Road, Banglore, Karnatal

2. Basis of preparation

a. Statement of compliance

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

The financial statements were authorised for issue by the Company's Board of Directors on 06th May, 2019.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and defined benfit plan assets measured at fair value.

d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(c)(iv) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 31 – employee benefit plans
- Note 3(h) and 34 – provisions and contingent liabilities
- Note 3(l) and 29 – Income taxes
- Note 3(j) and 33 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

-Note 17 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The finance team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 37 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments which are recognised at fair value through OCI (FVOCI).

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets within this category.

On initial recognition of an equity investment that is not held for trading, the Company has elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. The Company does not have any financial assets within this category.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amotised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any fixed liabilities under the category of FVTPL.

iii. *Derrecogniton*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

d. Intangible assets

i. Acquired intangible

Intangible assets comprise purchased computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful live is as follows:

- Software 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 10)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits

i. ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

h. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

i. Revenue

Tha company has adopted Ind AS 115- 'Revenue from contracts with customer' with effect from April 01, 2018 .Revenue from the sale of goods in the course of ordinary activites is recongnised at the 'transaction price' when the goods are 'transferred to the customer.The 'transaction price' is the amount of considration to which the Company expects to the entitled in exchange for transferring promised goods to a customer,excluding the amounts collected on behalf of third parties (for example ,goods and service tax).The consideration promised in a contract with a customer may include fixed amounts ,variable amounts or both .The goods are considered as 'transferred' when the cutomer obtains control of those goods.

Revenue from services are recongnised in the accounting period in which services are rendered .For fixed price contracts , revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

There is no material impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the company for the year ended and as at March 31, 2019.

j. Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

k. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

n. Recent accounting pronounecements

Ind AS 116 Leases: Ministry of corporate Affairs has notified Ind AS 116, leases on March 30, 2019. Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1, 2019. The adoption of this Ind AS will not have any material impact on the Financial.

In completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application) April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The company has elected certain available practical expedients on transition.

The effect of adoption as on transition date would be result in an increase in Right of use asset and an increase in lease liability.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019 Ministry of Corporate affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credit and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plant to use in their income tax filling which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

Amendment to Ind AS 12 - Income taxes : On march 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company is currently evaluation the effect of this amendment on the standalone financial statements.

Amendment to Ind AS 19 – plan amendment, curtailment or settlement - The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

a) To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

b)To recognise in profit or loss as part of past service cost. Or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset celling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The company does not have any material impact on account of this amendment.

Notes to the financial statements for the year ended March 31, 2019

4. Tangible Assets

Cost or deemed cost	**Furniture and fixtures** (₹ Lakh)	**Vehicles** (₹ Lakh)	**Computers** (₹ Lakh)	**Electrical Fittings** (₹ Lakh)	**Office Equipment** (₹ Lakh)	**Total** (₹ Lakh)
As at 01st April 2017	25.33	2.12	14.09	8.54	9.53	59.61
Additions	4.31	-	0.92	-	1.09	6.32
Deletions	-	(2.12)	-	-	-	(2.12)
As at 31 March 2018	29.64	-	15.01	8.54	10.62	63.81
Additions	4.22	-	-	-	3.06	7.28
Deletions	-	-	-	-	-	-
As at 31 March 2019	33.86	-	15.01	8.54	13.68	71.09
Depreciation						
As at 01st April 2017	10.16	1.94	13.15	3.38	7.71	36.34
Deletions	-	(1.98)	-	-	-	(1.98)
Charge for the year	2.83	0.04	0.37	0.93	1.18	5.35
As at 31 March 2018	12.99	-	13.52	4.31	8.89	39.71
Deletions	-	-	-	-	-	-
Charge for the year	3.12	-	0.39	0.93	0.64	5.08
As at 31 March 2019	16.11	-	13.91	5.24	9.53	44.79
Net Block						
As at 31 March 2018	16.65	-	1.49	4.23	1.73	24.10
As at 31 March 2019	17.75	-	1.10	3.30	4.15	26.30

Notes to the financial statements for the year ended March 31, 2019

5. Intangible Assets

Cost or deemed cost	Computer Software (₹ Lakh)	Total (₹ Lakh)
As at 01st April 2017	15.04	15.04
Addition	-	-
Deletion	-	-
As at 31 March 2018	15.04	15.04
Addition	0.18	0.18
Deletion	-	-
As at 31 March 2019	15.22	15.22
Amortisation		
As at 01st April 2017	11.65	11.65
Charge for the year	2.24	2.24
Deletion	-	-
As at 31 March 2018	13.89	13.89
Charge for the year	0.28	0.28
Deletion	-	-
As at 31 March 2019	14.17	14.17
Net Block		
As at 31 March 2018	1.15	1.15
As at 31 March 2019	1.05	1.05

Notes to the financial statements for the year ended March 31, 2019

Financial assets

6. Other Current Investments

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Unquoted Investments (all fully paid		
(a) Investments in Mutual Funds at FVTPl 357.856 (previous year 357.856) units of ₹10/- fully paid up in Reliance Vision Fund- Growth Plan Growth Option	1.88	1.91
TOTAL UNQUOTED INVESTMENTS at FVTPl	1.88	1.91

Notes to the financial statements for the year ended March 31, 2019

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Unsecured, considered good			408.19	367.17
Unsecured , Debts due from related parties (refer note 32 (II))			478.00	488.38
Unsecured, considered doubtful from related parties			-	-
Less: Expected credit loss			102.99	77.11
Total (A)	-	-	783.20	778.44
Total (B)	-	-	-	-
Total	-	-	783.20	778.44

7.1 Trade receivables
The average credit period on sales is between 60-90 days.

The Company has availed various credit facilities from Kotak Mahindra Bank Limited for INR 300 Lakhs that is secured by floting charge on book debts.

8. Loans

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Loans to Employees				
-Unsecured, considered good	-	-	-	-
-Doubtful				
Less : Allowance for bad and doubtful loans				
	-	-	-	-

9. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Bank deposits with more than 12 months maturity (refer note 9(i))	27.29	4.04		
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 32 (II)	0.10	0.10		
Security deposits - unsecured considered good	8.10	16.46	0.80	1.20
Interest Accrued -				
on fixed deposits with Banks	0.98	-	0.14	-
	36.47	20.60	0.94	1.20

Note9(i): Current year amount of bank deposit of Rs.1.13 Lakhs (previous year Rs.1.11 Lakhs) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1 Lakh /- (previous year Rs.1 Lakh/-) at interest rate of 9.50% (previous year 9.50%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2019 the amount of Rs.1.13 Lakhs is with maturity more than 12 months

10. Inventories

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
a) Inventories (lower of cost and net realisable value) #		
Raw Material & Spares	167.26	85.46
Work in Progress	14.48	113.20
	181.74	198.66

#Cost of inventories recognised as an expense include Rs.9.92 Lakhs (2017-18 Rs.4.02 Lakh) in respect of write - downs of inventory to net realisable value.

11. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Balances with Banks in current accounts	78.42	39.38
Cheques, drafts on hand	-	-
Cash on hand	0.61	1.53
Total Cash & Cash Equivalents	79.03	40.91
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months	-	-
Deposits with original maturity of more than 3 months but less than 12 months(refer note 9(i))	16.86	30.78
Total Bank Balances other than Cash & Cash Equivalents	16.86	30.78

12. Other assets

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Prepaid expenses	-	-	3.73	5.56
Balance with statutory/ government authorities	121.64	111.52	9.83	67.07
Gratuity	-	-	3.30	2.73
Advance to Employees	-	-	0.88	1.07
Advances to Others -Vendors	-	-	17.82	23.52
Total	121.64	111.52	35.56	99.95

Notes to the financial statements for the year ended March 31, 2019

13. Equity Share Capital

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Equity share capital	282.73	282.73
Total	282.73	282.73
Authorised Share capital :		
50 Lakhs fully paid equity shares of ₹ 10 each	500.00	500.00
Issued and subscribed capital comprises:		
28,27,263 fully paid equity shares of ₹.10 each (as at March 31, 2018: 28,27,263	282.73	282.73
	282.73	282.73

13.1 Fully paid equity shares

Particulars	Number of shares (in Lakh)	Share capital (₹ Lakh)
Balance at April 1, 2017	28.27	282.73
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2018	28.27	282.73
Add: Issued during the year	-	
Less: Bought back during the year	-	
Balance at March 31, 2019	28.27	282.73

Fully paid equity shares have a par value of ₹.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

13.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and

Particulars	Fully paid ordinary shares As at March 31, 2019 (in Lakh)	As at March 31, 2018 (in Lakh)
Balance at the beginning of the period - Held by Eureka Forbes Limited	28.27	28.27
Total as at the end of the period	28.27	28.27

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares	(in Lakh)		(in Lakh)	
Eureka Forbes Limited	28.27	100%	28.27	100%
Total	28.27	100%	28.27	100%

13.4 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 19 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 13 to 14).

The company is not subject to any externally imposed capital requirements

13.4.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Debt (i)	448.24	436.71
Cash and bank balances	123.18	75.73
Net debt	325.06	360.98
Equity (ii)	65.25	132.85
Net debt to equity ratio	4.98	2.72

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in notes 19.

14. Other equity

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Retained earnings		
Balance at beginning of year	(149.88)	(18.94)
Add/ (less): Profit/ (loss) for the year	(69.56)	(132.90)
Proft & (Loss) balance of transferor Companies	-	-
Less: Adjustment on amalgamation	-	-
Less: Goodwill on amlagamation written off	-	-
obligation net of income tax		
Add: Transfer from OCI	1.96	1.96
Balance at end of the year	(217.48)	(149.88)

Notes to the financial statements for the year ended March 31, 2019

Financial Liabilities

15. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
(a) Interest accrued but not due on borrowings			-	-
(b) Deposits for Jars			6.79	7.13
(c) Others :-				
-Dues to employees			16.21	12.85
-Dues to Others			3.59	29.28
Total	-	-	26.58	49.26

16. Provisions

Particulars	Non Current		Current	
	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Employee benefits on Compensated absence	2.71	3.93	0.56	0.82
Provision for Warranty (see 16.1)	-	-	1.37	10.02
				-
Total	2.71	3.93	1.93	10.84

16.1 Provision for Warranty

The company 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. The Table given below gives information about movement in warranty provisions.

	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
At the beginning of the year	10.01	12.65
Additions during the year	1.37	10.01
Utilization during the year		
Amount reversed /(utilisation) during the year	10.01	12.65
At the end of the year	1.37	10.01

17. Deferred tax balances

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

Particulars	As at March 31, 2019 (₹ Lakh)	As at March 31, 2018 (₹ Lakh)
Deferred tax assets	31.21	25.65
Deferred tax liabilities	-	-
Net	31.21	25.65

Particulars	Property, plant and equipment	MAT Credit Entitlement	Provisions for Doubtful Debts	Provsions - impact of expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	Amalgamation Expense	Total
Deferred tax (liabilities)/assets in relation to:						
Net balance April 1, 2017	2.18	-	24.93	1.50	4.21	32.82
Recognised in profit or loss	(0.65)		(4.88)	(0.97)	(0.67)	(7.17)
Utilised against tax payable		-				-
Closing balance Asset / (Liability) March 31, 2018	1.53	-	20.05	0.53	3.54	25.65
Recognised in profit or loss	0.28	-	6.73	0.32	(1.77)	5.56
Utilised against tax payable		-				-
Closing balance March 31, 2019	1.81	-	26.78	0.85	1.77	31.21

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18. Other Liabilities

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
(a) Income received in advance			-	-
(b) Advance received from Customers			36.03	2.41
(c) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)			10.13	5.05
Total	-	-	46.16	7.46

19. Current Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below	350.00	350.00
Secured - at amortised cost		
(b) Loans repayable on demand		
-Bill discounting (refer note (iii) below	98.24	86.71
Overdraft facility- (refer note (ii) below	-	-
Total	448.24	436.71

(i) Amounts repayable to related parties of the Group. Interest of 11.4%per annum is charged on the outstanding loan balances (as at March 31, 2018 11.4%).

(ii) Secured by fixed deposit (refer note 9(i)). The interest rate on the overdraft facility with bank is 9.5% per annum (as at March 31, 2018: 9.5% per annum)

(iii) The company has utilised the Secured facility of bill discounting available with Kotak Mahindra Bank with interest rate of 9.50% P.A.(as at Mar 31, 2018: 9.50% P.A.)

20. Trade payables

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Trade payables (including acceptances	-	-	657.68	721.60
Trade payables - MSME (Refer note below 20.1 for dues to Micro and Small Enterprises)			126.05	23.69
Total	-	-	783.73	745.29

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20 .1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2019	As at March 31, 2018
(i) Principal amount remaining unpaid to MSME suppliers as on year end 31.03.2019	125.65	23.69
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	0.40	-

21. Income tax assets and liabilities

Particulars	Non Current As at March 31, 2019 (₹ Lakh)	Non Current As at March 31, 2018 (₹ Lakh)	Current As at March 31, 2019 (₹ Lakh)	Current As at March 31, 2018 (₹ Lakh)
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	96.28	89.06	-	-
Total	96.28	89.06	-	-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)			37.56	37.59
Total	-	-	37.56	37.59

Notes to the financial statements for the year ended March 31, 2019

22. Revenue from operations

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
(a) Sale of product	2,041.65	1,806.28
Finished Goods (Including Excise duty of Rs.Nil for year ended March 2019 and Rs.2.95 Lakhs for year ended March 2018)		
- Traded Goods	277.34	539.70
(b) Sale of services	272.97	309.51
(c) Sale of scrap	0.56	-
Total	2,592.51	2,655.48

23. Other Income and other gains/ (losses)

23.1 Other Income	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Interest income earned on financial assets that are not designated as at fair value through profit or loss		
Bank deposits (at amortised cost	2.84	3.06
Foreign exchange gain	0.50	0.74
Others - Misc Receipts	5.92	10.78
Total	9.26	14.58

23.2 Other gains/(losses)	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Gain/(loss) on disposal of property, plant and equipment	-	0.07
Net gain/(loss) arising on financial assets measured at FVTPL	(0.03)	0.15
Total	(0.03)	0.22
Total (23.1+ 23.2)	9.22	14.80

24. Cost of materials consumed

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Inventory at the beginning of the year	85.46	98.09
Add:- Purchases	1,923.20	1,892.01
Less:- Inventory at the end of the year	(167.26)	(85.46)
Cost of Raw Material & Components consumed	1,841.40	1,904.64
Purchase of traded products	63.75	152.21
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	98.72	(69.48)

25. Employee benefits expense

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Salaries and Wages	213.74	256.82
Contribution to provident and other funds	6.30	9.83
Staff Welfare Expenses	5.88	8.46
Total	225.92	275.11

in ₹ lakh

26. Finance costs

	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Bank Charges	3.18	1.90
Interest on bank overdrafts and loans (other than those from related parties)	0.01	0.54
Bill Discounting Charges	6.11	4.67
Exchange differences regarded as an adjustment to borrowing costs	-	-
Interest on ICD from holding company	39.90	39.90
Total	49.19	47.01

27. Depreciation and amortisation expense

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Depreciation of property, plant and equipment (Note 4	5.08	5.35
Amortisation of intangible assets (Note 5	0.28	2.24
Total depreciation and amortisation pertaining to continuing operations	5.36	7.59

28. Other expenses

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Electricity	7.81	10.71
Rent	30.28	23.75
Repairs and Maintenance -		
Others	8.65	20.51
Insurance	6.90	6.31
Selling and Sales Promotion	0.57	-
Freight, Forwarding and Delivery	92.14	67.95
Payment to Auditors (Refer details Below	4.91	4.94
Printing and Stationery	3.27	2.81
Communication cost	5.75	5.68
Travelling and Conveyance	34.61	33.16
Legal and Professional Fees	17.53	36.01
Vehicle Running Expenses	0.24	0.73
Rates and taxes, excluding taxes on income	0.60	12.22
Service Charges	97.02	158.20
Information Technology Expenses	14.80	34.53
Other Establishment Expenses	27.61	21.71
Bad Debts/Advances Written-Off	14.65	35.88
Provision for Doubtful Debts	25.88	(3.57)
Total	393.20	471.53

Payments to auditors	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
a) For audit	3.56	3.56
b) For taxation matters	0.53	0.40
c) For other services	0.30	0.36
d) For reimbursement of expenses	0.52	0.62
Total	4.91	4.94

29. Income taxes

29.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2019 (₹ Lakh)	Year ended March 31, 2018 (₹ Lakh)
Current tax		
In respect of the current year	-	-
	-	-
Deferred tax		
In respect of the year	5.56	(7.17)
Total income tax expense recognised in the current year	5.56	(7.17)

29.2 Income Taxes

(a) Amounts recognised in profit and loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	(₹ Lakh)	(₹ Lakh)
Current income tax	-	-
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(5.56)	7.17
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	(5.56)	7.17
Tax expense for the year	(5.56)	7.17

(b) Amounts recognised in other comprehensive income

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus			-			-
Remeasurements of the defined benefit plans	1.96	0.51	2.47	2.91	0.90	2.01
	1.96	0.51	2.47	2.91	0.90	2.01

(c) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2019 (₹ Lakh)	For the year ended March 31, 2018 (₹ Lakh)
Profit/ (Loss) before tax	(75.81)	(121.28)
Revised Profit before tax	(75.81)	(121.28)
Tax using the Company's domestic tax rate (Current year 26% and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	5.56	(7.17)
	5.56	(7.17)
Effective tax rate		

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Significant management judgement is required in determing the provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which the deferred income tax assets will be recovered.

Owing to losses in the current year, no provision for current tax has been made. Further, unrecognaised deferred tax on tax losses and unabsorbed depreciation is Rs. 38.06 Lakh (PY: Rs.30.90 Lakh). (Expiry date 31-03-2027)

Notes to the financial statements

Note 30 : Earnings per share (EPS)
Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

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

i. Profit attributable to Equity holders

	March 31, 2019 (₹ Lakh)	March 31, 2018 (₹ Lakh)
Profit attributable to equity holders	(69.55)	(132.91)
Profit attributable to equity holders for basic earnings	(69.55)	(132.91)

ii. Weighted average number of ordinary shares

	March 31, 2019 Nos. (in Lakh)	March 31, 2018 Nos. (in Lakh)
Issued ordinary shares at April 1	28.27	28.27
Effect of shares issued during the year	-	-
Weighted average number of shares at March 31 for basic EPS	28.27	28.27
Effect of dilution:	-	-
Weighted average number of shares at March 31 for EPS afte dilution	28.27	28.27

Basic and Diluted earnings per share

	March 31, 2019	March 31, 2018
Basic earnings per share in Rs.	(2.46)	(4.70)
Diluted earnings per share in Rs.	(2.46)	(4.70)

Notes to the financial statements for the year ended March 31, 2019 - continued

31. Employee benefit plans

31.1 Defined contribution plans

The Company operates defined contribution retirement plans for all qualifying employees of its Company. The assets of the plans are held with central government. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

	Year ended March 31, 2019	Year ended March 31, 2018
Amount recognised as expense and included in note 25 as contribution to provident and other funds	6.30 lakh	9.83 lakh

31.2 Defined benefit plans

The Company has a defined benefit gratuity scheme for employees who have completed minimum 5 years of service. The scheme is funded with Life Insurance Corporation (LIC).

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. 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 XX. Due to the long-term nature of the plan liabilities, the board of the 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 debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is not funded.

No other post-retirement benefits are provided to these employees

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2019 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows

Particulars	Valuation as at Year ended March 31, 2019	Valuation as at Year ended March 31, 2018
Discount rate(s)	7.64%	7.80%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Employee turnover	10%	10%

* Based on India’s standard mortality table with modification to reflect expected changes in mortality

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows

(₹ Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Service cost:		
Current service cost	1.60	1.86
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	(0.21)	(0.11)
Components of defined benefit costs recognised in profit or loss	1.39	1.75
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amounts included in net interest expense)	(0.88)	(0.30)
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	0.10	(0.46)
Actuarial (gains) / losses arising from experience adjustments	(1.18)	(2.42)
Others		
Components of defined benefit costs recognised in other comprehensive income	(1.96)	(3.18)
Total	(0.57)	(1.43)

The current service cost and the net interest expense for the year are included in the ‘Employee benefits expense’ line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follow

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded defined benefit obligation	(14.68)	(13.14)
Fair value of plan assets	17.98	15.86
Funded status	3.30	2.72
Restrictions on asset recognised		
Others		
Net Asset arising from defined benefit obligation	3.30	2.72

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening defined benefit obligation	13.14	13.19
Current service cost	1.60	1.86
Interest cost	1.02	0.95
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	0.10	(0.46)
Actuarial gains and losses arising from experience adjustments	(1.18)	(2.42)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid	-	-
Closing defined benefit obligation	14.68	13.14

(₹ Lakh)

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening fair value of plan assets	15.86	14.76
Interest income	1.24	1.07
Remeasurement gain (loss)	-	-
Return on plan assets (excluding amounts included in net interest expense)	0.88	0.03
Others [describe]	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	-	-
Closing fair value of plan assets	17.98	15.86

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Current Service Cost	1.60	1.86
Net Interest Cost	(0.21)	(0.11)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Loss	1.39	1.75

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Acturial (Gains)/ losses on Obligation for the period	(1.08)	(2.88)
Return on Plan Assets, excluding interest income	(0.88)	(0.03)
Change in asset ceiling		
Net (income) / expense for the period recognised in OCI	(1.96)	(2.91)

Balance Sheet Reconcilation

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Opening Net Liability	(2.73)	(1.57)
Expense Recognised in Statement of Profit or Loss	1.39	1.75
Expense Recognised in other comprehensive income	(1.96)	(2.91)
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	-	-
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Sheet	(3.30)	(2.73)

Sensitivity Analysis

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Presented benefit obligation on current assumptions	14.68	13.14
Discount rate (1% increase)	(0.57)	(0.72)
Discount rate (1% decrease)	0.64	0.81
Future salary growth (1% increase	0.65	0.83
Future salary growth (1% decrease)	(0.59)	(0.75)
Attrition movement (1% increase	0.12	0.14
Attrition movement (1% decrease	(0.13)	(0.16)

Notes to the financial statements for the year ended March 31, 2019 - continued

32. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B Enterprises under Common Control -(where there are transactions)
Forbes Technosys Limited
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment

C Enterprises under Common Control -(where there are transactions)
Joyville Shapoorji Housing Pvt Ltd

(II) Transactions with Related Parties for the year ended 31st March 2019

Nature of Transactions	A				B								C	
	Eureka Forbes Limited		Shapoorji Pallonji and Company Pvt.Ltd		Forbes Technosys Limited.		Afcon Infrastructure Ltd.		Sterling & Wilson Pvt. Ltd.		Eureka Forbes Institute of Environment		Joyville Shapoorji Housing Pvt. Ltd	
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Purchases														
Goods and Materials	22.55	7.37	-	-	-	-	-	-	-	-	-	-	-	-
Services Rendered		6.69		-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	22.55	14.06	-	-	-	-	-	-	-	-	-	-	-	-
Sales														
Goods and Materials	1,494.17	1,408.03	52.56	80.71	-	1.05	1.05	*39.22*	-	0.55	9.09	69.68	0.29	0.88
Services Rendered	156.37	235.42	2.95	-	-	-	-		-	-	10.84	1.46	-	-
Fixed Assets	-		-											
	1,650.54	1,643.45	55.51	80.71	-	1.05	1.05	39.22	-	0.55	19.93	71.14	0.29	0.88
Expenses														
Rent and other services	7.74	0.52	0.89	2.90		-	-	-	-	-	-		-	-
Repairs & Other Exp	-	-	-											
Finance Charges	-	-	-											
Interest on ICD Taken	39.90	39.90	-				-	-	-	-	-		-	-
	47.64	40.42	0.89	2.90	-	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	350.00	350.00	-		-	-	-	-	-	-	-	-	-	-
	350.00	350.00	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-		-											
Trade Receivables	409.86	402.52	55.85	44.29	-	0.12	1.21	*15.11*	*0.12*	*0.20*	10.96	26.13	-	0.01
Other Deposits	0.10	0.10												

Notes to the financial statements for the year ended March 31, 2019 - continued

33 Lease Classification
The company has taken commercial premises under cancelable operating lease. Lease rental expenses included in the statement of profit and loss for the year is Rs.30.28 lakh (Previous Year Rs. 23.75 lakh). None of the lease agreement entered into by the Company contain a clause on contingent rent. The agreements contain esclation clause, however there are no terms for purchase option or any restriction such as those concerning dividend and additional debt

34 Contingent liabilities

	Particulars	As at 31 March 2019	As at 31 March 2018
		(₹ Lakh)	(₹ Lakh)
	Claim against the company not acknowledged as debt		
1	Income tax matters (see note (i) and (ii) below)	3.31	3.31
2	Sales Tax Matters F.Y.2002-2003 and 2004-05	11.06	11.06
3	Bank Guarantees	29.87	8.00
4	Capital Commitments	-	-

Notes

(i) The amount considered under the contingent liability is the amount adjusted as income tax payable against the pending refunds. The company has not accepted the charge adjusted by the income tax department u/s 145 of income tax and have filed a response towards the non acceptance of the charge and claim for the refund. the period for which the claim raised is AY 2006-07, 2007-08, 2009-10 and 2010-11

(ii) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

35 Segment reporting
The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

36 The company has incurred a net comprehensive loss of Rs.67.59 Lakhs during the current year,and the current liabilites exceeded the current assets by Rs.245 Lakhs and have eroded 76.92% of the net worth at March 31, 2019. However,at March 31,2019 ,the company has positive networth. Based on the continued operational and financial support from parent company ,the financial statements have been prepared on a going concern basis.

Notes to the financial statements

37. Financial instruments – Fair values and risk management

(₹ Lakh)

A. Accounting classification and fair values

	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
Financial assets						
Cash and cash equivalents	-	-	79.03	-	-	40.91
Other bank balances	-	-	16.86	-	-	30.78
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	783.20	-	-	778.44
Current Investments	1.88	-		1.91	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	0.94	-	-	1.20
Other Non Current financial Asset	-	-	36.47	-	-	20.60
				-	-	
Total Financial Asset	1.88	-	916.50	1.91	-	871.93
Financial liabilities				-	-	
Trade and other payables	-	-	783.73	-	-	745.29
Other Current financial liabilities	-	-	26.58	-	-	49.26
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	448.24	-	-	436.71
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	-	-	1,258.55	-	-	1,231.26

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

in ₹ lakh

		March 2019				March 2018			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments		1.88	-	-	1.88	1.91	-	-	1.91
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		1.88	-	-	1.88	1.91	-	-	1.91
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		-	-	-	-	-	-	-	-

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curve
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company’s board of directors has

The Company’s risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

37. Financial instruments – Fair values and risk management (contd)
B. Measurement of fair values

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framewo
The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securitie

The carrying amount of following financial assets represents the maximum credit exposur

Particulars	As at 31 March 2019	As at 31 March 2018
	(₹ Lakh)	(₹ Lakh)
Trade receivables	783.20	778.44
Cash and cash equivalents	79.03	40.91
Other bank balances	16.86	30.78
Loans	-	-
Other financial assets	37.41	21.80

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follov

	March 31, 2019	March 31, 2018
	(₹ Lakh)	(₹ Lakh)
India	783.20	778.44
Other regions	-	-
	783.20	778.44

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follov

	March 31, 2019 (₹ Lakh)	March 31, 2018 (₹ Lakh)
Construction	166.38	143.49
Education	28.31	1.70
Hospital	0.37	1.48
Hotel	0.24	3.29
Manufacturing	24.56	7.23
Trading Company (includes related party	422.04	402.52
Others	141.30	218.73
Total	783.20	778.44

At March 31, 2019, the Company's most significant customer other than the related party, a construction company, accounted for INR 166.38 lakh of the trade and other receivables carrying amount (March 31, 2018 : INR 143.49 lakh).

37. Financial instruments – Fair values and risk management (contd)

Impairment

At March 31, 2019, the ageing of trade and other receivables that was as follows:

	March 31, 2019 (₹ Lakh)	March 31, 2018 (₹ Lakh)
Not due	503.45	454.83
0-30 days	38.91	147.48
31-60 days	62.17	11.13
61-90 days	53.95	15.59
91-180 days	17.45	64.33
181-365 days	26.39	42.13
365 days and above	80.88	42.95
	783.20	778.44

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on
An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	Collective impairments (₹ Lakh)
Balance as at April 1, 2017	80.68
Impairment loss recognised	-
Amounts written off	3.57
Balance as at March 31, 2018	77.11
Impairment loss recognised	37.04
Amounts written off	11.16
Balance as at March 31, 2019	102.99

At March 31, 2019, there was an impairment loss of INR 102.99 lakh related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 79.03 lakh/- at March 31, 2019 (March 31, 2018: INR 40.91 lakh).

Derivatives

The derivatives are entered into with bank and financial institution counterparties, which are rated AA- to AA+, based on

37. Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit.
INR 1 lakh overdraft facility with IDBI Bank Ltd. that is secured against Fixed Deposit. Interest would be payable at the rate of 9.5%p.a (March 31, 2018: 11% p.a).
In addition, the Company maintains the following lines of credit.
INR 300 lakh Working Capital facility with Kotak Mahindra Bank Limited that is secured by floting charge on book debts .Interest would be payable at the rate of 9.5% pa

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

March 31, 2019		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
Non-derivative financial liabilities						
Borrowings	448.24	448.24	448.24	-	-	-
Trade and other payables	783.73	783.73	783.73	-	-	-
Other financial liabilities	26.58	26.58	26.58	-	-	-

March 31, 2018		Contractual cash flows				
	Carrying amount	Total	Upto 1 year	1-3 years	3-5 years	More than 5 years
	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)
Non-derivative financial liabilities						
Borrowings	436.71	436.71	436.71	-	-	-
Trade and other payables	745.29	745.29	745.29	-	-	-
Other financial liabilities	49.26	49.26	49.26	-	-	-

37. Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company is not exposed to currency risk on account of payables in foreign currency. The functional currency of the Company is Indian Rupee.

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2019 and March 31, 2018 are as below:

	March 31, 2019 USD	March 31, 2019 GBP	March 31, 2018 USD	March 31, 2018 GBP
Financial assets				
Short-term loans and advances	-	-	-	-
	-	-	-	-

The following significant exchange rates have been applied during the year.

	Average rate		Year-end spot	
INR	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD /INR	-	-	-	-
GBP/INR	-	-	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2019				
USD 5% movement	-	-	-	-
GBP 10% movement	-	-	-	-
	-	-	-	-

	Profit or loss		Equity, net of tax	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2018				
USD 5% movement	-	-	-	-
GBP 10% movement	-	-	-	-
	-	-	-	-

37. Financial instruments – Fair values and risk management (contd)

v. Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at 31 March 2019	As at 31 March 2018
	(₹ Lakh)	(₹ Lakh)
Fixed rate instruments		
Financial assets		
Deposits with banks	44.15	34.82
Financial Liabilities		
Intercorporate deposit from related parties	350.00	350.00
	350.00	350.00
Variable-rate instruments		
Financial liabilities		
Overdraft against fixed deposit	-	-
Bill discounting	98.24	86.71
	98.24	86.71

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or loss
	(₹ Lakh)
31 March 2019	
Variable-rate instruments	0.49
Cash flow senstivity	0.49
31 March 2018	
Variable-rate instruments	0.43
Cash flow senstivity	0.43

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

37. Financial instruments – Fair values and risk management (contd)

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (2018-15%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	31-Mar-19 (₹ Lakh)	31-Mar-18 (₹ Lakh)	31-Mar-19 (₹ Lakh)	31-Mar-18 (₹ Lakh)
Increase in NAV by 10%(2018 - 15%)	0.19	0.29	-	-
Decrease in NAV by 10%(2018 - 15%)	(0.19)	(0.29)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

As per our report of even date For BATLIBOI & PUROHIT Chartered Accountants Firm Regn No.101048W	Vikram Surendran	Director
	R.S.Moorthy	Director
ATUL MEHTA Partner Membership No.15935	Ashu Khanna	Director
Mumbai, Dated 06th May, 2019		

FORBES FACILITY SERVICES PRIVATE LIMITED

(a wholly owned subsidiary Company of
Eureka Forbes Limited)

Financial Statements

For the Year ended March 31, 2019

Independent Auditor's Report
To the Members of Forbes Facility Services Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Forbes Facility Services Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

(c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) on the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”; and

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, however it is subject to approval of shareholders.

(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 Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 30 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company ;

for **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership No: 111749

Place : Mumbai
Date : 30 April, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

(b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two to three years. In accordance with this programme, certain fixed assets were verified during the year and discrepancies noticed on such verification were adjusted in the books. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The company does not have ownership of any immovable properties.

(ii) The management has conducted physical verification of inventory at the year end. In our opinion the frequency of such verification is reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account.

(iii) The Company has not granted loans secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, clause 3(iii) (a) and (b) of the order are not applicable to the Company.

(iv) The Company has not granted any loans, made investments, given guarantees and security under section 185 and 186 of the Act. Thus paragraph 3(iv) of the order is not applicable to the company.

(v) The Company has not accepted any deposits during the year within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of, income tax, sales tax, value added tax, duty of customs, employees' state insurance, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at the year end for a period of more than six months from the date they became payable except for the details given below :

Name of statute	**Nature of dues**	**Amount (in lakh)**	**Period to which it relates**	**Due date**	**Date of payment**
Profession Tax, Act	Profession tax	4.75	October 2016 to September 17	varies from state to state	Unpaid
Employees State Insurance Act, 1948	ESIC	1.48	April 17 to September 17	15th /21st of subsequent month	Unpaid

(b) According to information and explanations given to us, the dues of Income tax, Service tax and VAT that have not been deposited by the Company on account of disputes are given below:

Name of the Statute	**Nature of dues**	**Forum where dispute is pending**	**Period to which amount relates**	**Amount (lakh)**
Income Tax Act, 1961	Income Tax	Commissioner Income Tax (A)	A.Y.2013-14	94.57
Sales Tax	MVAT	Dy Commissioner of State Tax (Appeals)	FY 2013-14	61.33
	MVAT	Commissioner of State Tax (Appeals)	FY 2014-15	309
Finance Act, 1994	Service Tax	Commissioner of service Tax (A)	FY 2009 to 2014	174.80

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no outstanding dues to any financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) In our opinion and accordingly to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by provisions of Section 197 read with schedule V to the Companies Act 2013, however it is subject to approval of shareholders.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

for **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership No:111749

Place : Mumbai
Date : 30 April 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2(f) under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the internal financial controls over financial reporting of Forbes Facility Services Private Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **BATLIBOI & PUROHIT**
Chartered Accountants
Firm Reg. No.: 101048W

Kaushal Mehta
Partner
Membership No: 111749

Place : Mumbai
Date : 30 April 2019

Forbes Facility Services Private Limited

Balance sheet as at March 31, 2019

Amt in Rs.

	Notes	As at March 31, 2019		As at March 31, 2018	
ASSETS					
Non-current Assets					
Property, plant and equipment	4		4,14,52,223		4,13,63,976
Financial assets					
Other financial assets	6		2,00,54,177		1,31,13,656
Tax assets					
Deferred Tax Asset (Net)	14	3,37,84,319		2,74,00,700	
Current Tax Asset (Net)	18	6,45,83,506	9,83,67,825	5,87,80,278	8,61,80,978
Other non-current assets	9		1,22,500		1,22,500
Total Non-current Assets			**15,99,96,725**		**14,07,81,111**
Current Assets					
Inventories	7		2,48,05,416		2,19,57,410
Financial assets					
Trade receivables	5	35,91,84,407		34,07,50,081	
Cash and cash equivalents	8	49,78,796		32,32,741	
Bank balances other than cash and cash equivalents	8	9,60,997		10,50,314	
Other financial assets	6	53,385	36,51,77,584	94,510	34,51,27,646
Other current assets	9		5,27,720		5,07,561
Total Current Assets			**39,05,10,720**		**36,75,92,617**
Total Assets			**55,05,07,445**		**50,83,73,727**
EQUITY AND LIABILITIES					
Equity					
Equity share capital	10		1,00,00,000		1,00,00,000
Other Equity	11		8,90,49,887		3,10,17,701
Total Equity			**9,90,49,887**		**4,10,17,701**
Liabilities					
Non-current Liabilities					
Financial Liabilities					
Provisions	13		8,93,943		1,32,14,111
Total Non-current Liabilities			**8,93,943**		**1,32,14,111**
Current liabilities					
Financial liabilities					
Borrowings	16	10,54,83,057		9,44,09,972	
Trade and other payables:	17				
Total outstanding dues to Micro enterprise and small enterprise		35,56,125		29,44,682	
Total outstanding dues to creditors other than Micro enterprise and small enterprise		12,22,73,775		19,31,70,769	
Other financial liabilities	12	13,12,77,163	36,25,90,120	11,25,82,578	40,31,08,001
Provisions	13		4,33,97,801		29,61,728
Current tax liabilities (Net)	19		-		-
Other current liabilities	15		4,45,75,694		4,80,72,187
			45,05,63,615		45,41,41,915
Total Current Liabilities			**45,05,63,615**		**45,41,41,915**
Total Liabilities			**45,14,57,558**		**46,73,56,026**
Total Equity and Liabilities			**55,05,07,445**		**50,83,73,727**
Significant Accounting policies	3				

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Mumbai , Dated : 30 April 2019

For and behalf of the Board of Directors of Forbes Facility Services Private Limited

V Surendran
Director
(DIN- 07322381)

Marzin Shroff
Director
(DIN-00642613)

C. A. Karnik
Director
(DIN-00003874)

S K Palekar
Director
(DIN-01723670)

Vinay Deshmukh
Executive Director & CEO
(DIN-07153755)

Mumbai , Dated: 30 April 2019

Forbes Facility Services Private Limited

Statement of Profit and Loss for the year ended March 31, 2019

Amt in Rs.

	Notes	2018-19	2017-18
Income			
Revenue from Operations	19	1,77,50,39,851	1,47,83,33,558
Other income and other gains / (losses)	20	3,57,47,159	2,14,096
Total Income		**1,81,07,87,010**	**1,47,85,47,654**
Expenses			
Cost of Services		6,32,23,716	5,32,34,540
Consumption of Food & Beverages and Consumables	21	48,56,48,924	37,87,08,834
Employee benefits expense	22	1,04,83,12,655	92,42,82,414
Finance costs	23	1,23,98,223	1,18,09,157
Depreciation and amortisation expense	24	1,35,68,260	1,40,68,896
Other expenses	25	10,10,71,839	7,34,06,896
Total expenses		**1,72,42,23,617**	**1,45,55,10,737**
Profit/(Loss) before exceptional items and tax		**8,65,63,394**	**2,30,36,917**
Add/ (Less) : Exceptional items			
Profit/(Loss) before tax		**8,65,63,394**	**2,30,36,917**
Less: Tax expense			
Current tax	26	3,21,07,294	1,28,42,399
Earlier year tax		85,202	-
Deferred tax	28	(63,83,619)	(3,56,690)
		2,58,08,877	**1,24,85,709**
Profit/(Loss) for the year		**6,07,54,517**	**1,05,51,208**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
Remeasurements of the defined benefit plans		**(38,40,761)**	**(29,06,711)**
Income tax relating to items that will not be reclassified to profit or loss		11,18,430	9,60,959
Total other comprehensive income		**(27,22,331)**	**(19,45,752)**
Total comprehensive income for the Year		**5,80,32,186**	**86,05,456**
Earnings per equity share			
Basic & Diluted (in Rs.)	29	**60.75**	**10.55**
Significant Accounting policies	3		

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Mumbai , Dated: 30 April 2019

Forbes Facility Services Private Limited

Cash Flow Statement for the year ended March 31, 2019

Amt in Rs.

	2018-19	2017-18
Cash flows from operating activities		
Profit/(Loss) for the year	8,65,63,394	2,30,36,917
Adjustments for:		
Finance costs recognised in profit or loss	1,23,98,223	1,18,09,157
Interest Income	(2,57,603)	(1,65,612)
Provision/write-off of doubtful debts, advances and other current assets	1,58,06,488	20,78,708
Depreciation and amortisation of non-current assets (continuing operations)	1,35,68,260	1,40,68,896
(Profit)/ loss on sale of assets	7,35,924	-
Net foreign exchange (gain)/loss - unrealised	(2,84,204)	(19,516)
	12,85,30,481	**5,08,08,550**
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(3,39,15,485)	(7,02,10,760)
(Increase)/decrease in inventories	(27,58,688)	(79,12,565)
(Increase)/decrease in current Other Assets	(20,160)	40,825
(Increase)/decrease in non current Other Financial Assets	(69,40,521)	5,82,734
Increase/ (Decrease) in trade and other payables	(7,03,48,219)	1,00,14,039
Increase/(Decrease) in provisions	2,53,93,574	40,64,507
Increase/(Decrease) in other liabilities	1,51,98,092	4,31,95,438
	(7,33,91,406)	**(2,02,25,782)**
Cash generated from operations	**5,51,39,076**	**3,05,82,768**
Income taxes paid	(3,79,95,723)	(78,54,351)
Net cash generated by operating activities	**1,71,43,352**	**2,27,28,418**
Cash flows from investing activities		
Interest received	2,57,603	1,65,612
Payments for property, plant and equipment	(1,47,40,588)	(1,50,00,524)
Receipt on sale of assets	4,10,825	-
Net cash (used in)/generated by investing activities	**(1,40,72,160)**	**(1,48,34,912)**
Cash flows from financing activities		
Repayment of other short term borrowings	-	(2,40,00,000)
Net increase / (decrease) in working capital borrowings	1,10,73,086	2,51,90,589
Interest paid	(1,23,98,223)	(1,18,09,157)
Net cash used in financing activities	**(13,25,137)**	**(1,06,18,569)**
Net increase in cash and cash equivalents	**17,46,055**	**(27,25,063)**
Cash and cash equivalents at the beginning of the year	32,32,741	59,57,803
Cash and cash equivalents at the end of the year	**49,78,796**	**32,32,741**

Changes in carrying amount of financial liabilities included under financing activities under cash flow statement:

	2018-19	2017-18
Opening balance	9,44,09,972	9,32,19,383
Changes due to cash flow	1,10,73,086	11,90,589
Non cash change	-	-
Closing balance	**10,54,83,058**	**9,44,09,972**

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Mumbai , Dated: 30 April 2019

Forbes Facility Services Private Limited

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

A. Equity share capital	**Amount in Rs.**
Balance at April 1, 2017	1,00,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2018	**1,00,00,000**
Changes in equity share capital during the year	-
Balance at March 31, 2019	**1,00,00,000**

B. Other Equity

Amt in Rs.

	Reserves and surplus		**Items Of Other Comprehensive Income**		**Total Other Equity**	**Total**
	Retained earnings	**Total**	**Other items of other comprehensive income (specify nature)**	**Total**		
Balance at April 1, 2017	**2,55,68,707**	**2,55,68,707**	**(31,56,462)**	**(31,56,462)**	**2,24,12,245**	**2,24,12,245**
Profit for the year	1,05,51,208	1,05,51,208		-	1,05,51,208	1,05,51,208
Other comprehensive income for the year, net of income tax	-	-	(19,45,752)	(19,45,752)	(19,45,752)	(19,45,752)
Total comprehensive income for the year	**1,05,51,208**	**1,05,51,208**	**(19,45,752)**	**(19,45,752)**	**86,05,456**	**86,05,456**
Balance at March 31, 2018	**3,61,19,915**	**3,61,19,915**	**(51,02,214)**	**(51,02,214)**	**3,10,17,701**	**3,10,17,701**
Profit for the year	6,07,54,517	**6,07,54,517**	**-**	**-**	6,07,54,517	**6,07,54,517**
Other comprehensive income for the year, net of income tax	**-**	**-**	**(27,22,331)**	**(27,22,331)**	**(27,22,331)**	**(27,22,331)**
Total comprehensive income for the year	**6,07,54,517**	**6,07,54,517**	**(27,22,331)**	**(27,22,331)**	**5,80,32,186**	**5,80,32,186**
Balance at March 31, 2019	**9,68,74,432**	**9,68,74,432**	**(78,24,545)**	**(78,24,545)**	**8,90,49,887**	**8,90,49,887**

As per our report of even date
For BATLIBOI & PUROHIT

Chartered Accountants
Firm Regn No. 101048W

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Partner
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Mumbai , Dated : 30 April 2019

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Forbes Facility Services Private Limited

Notes to the financial statements for the year ended 31 March 2019

4. Property Plant & Equipment

Amt in Rs.

Cost or Deemed Cost	**Plant and Machinery**	**Electrical Installation & Equipement**	**Office Equipement**	**Furniture and Fixtures**	**Vehicles**	**Computers**	**Total**
As at 1st April 2017	12,77,01,998	3,28,600	4,76,037	4,80,239	48,24,093	45,65,731	13,83,76,698
Additions	1,32,60,837	45,399	3,56,643	-	5,65,057	7,72,587	1,50,00,524
Deletions	-	-	-	-	-	-	-
As at 31 March 2018	**14,09,62,835**	**3,74,000**	**8,32,680**	**4,80,239**	**53,89,150**	**53,38,318**	**15,33,77,222**
Additions	1,02,06,992	14,61,311	8,89,815	6,00,445	8,37,246	7,44,778	1,47,40,588
Deletions	2,61,88,250	-	-	-	7,61,576	-	2,69,49,826
As at 31 March 2019	**12,49,81,578**	**18,35,311**	**17,22,495**	**10,80,684**	**54,64,821**	**60,83,096**	**14,11,67,983**

Depreciation	Plant and Machinery	Electrical Installation & Equipement	Office Equipement	Furniture and fixtures	Vehicles	Computers	Total
As at 1st April 2017	9,07,22,924	88,439	3,58,687	3,45,951	27,67,641	36,60,709	9,79,44,350
Charge for the year	1,25,84,852	54,201	91,301	49,442	8,13,951	4,75,149	- 1,40,68,896
Deletions	-	-	-	-	-	-	- -
As at 31 March 2018	**10,33,07,775**	**1,42,639**	**4,49,988**	**3,95,393**	**35,81,592**	**41,35,857**	**11,20,13,246**
Charge for the year	1,18,35,023	1,29,404	1,72,838	69,024	7,15,531	6,46,441	1,35,68,260
Deletions	2,51,39,183	-	-	-	7,26,563	-	- 2,58,65,746
As at 31 March 2019	**9,00,03,615**	**2,72,043**	**6,22,826**	**4,64,417**	**35,70,561**	**47,82,298**	**9,97,15,760**
Net Block							
As at 31 March 2018	**3,76,55,060**	**2,31,360**	**3,82,691**	**84,846**	**18,07,558**	**12,02,460**	**4,13,63,976**
As at 31 March 2019	**3,49,77,963**	**15,63,267**	**10,99,668**	**6,16,267**	**18,94,260**	**13,00,798**	**4,14,52,223**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

5. Trade receivables

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade receivables				
Trade Receivables considered good - Unsecured	-	-	31,22,33,609	31,25,50,677
Trade Receivables considered good - dues from related parties	-	-	5,25,13,423	3,23,26,679
			36,47,47,032	34,48,77,357
Less: Expected credit loss	-	-	55,62,626	41,27,276
Total	**-**	**-**	**35,91,84,407**	**34,07,50,081**

5.1 The average credit period of sale is between 30-45 days

5.2 The above trade receivables are hypothicated to bank for cash credit facility.

6. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Bank deposits with more than 12 months maturity	32,52,174	30,74,381	-	-
Security Deposits:				
unsecured	2,25,50,329	1,00,39,275	-	-
Less: Expected credit loss	57,48,326	-	-	-
	1,68,02,003	1,00,39,275	-	-
Interest Accrued -				
on fixed deposits with Banks	-	-	53,385	94,510
Total	**2,00,54,177**	**1,31,13,656**	**53,385**	**94,510**

7. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Inventories (lower of cost and net realisable value)		
Food & Beverages consumables	1,01,65,525	74,40,866
Spares and Accessories	1,46,39,891	1,45,16,544
Total	**2,48,05,416**	**2,19,57,410**

7.1 The above inventories are hypothecated to Axis and HDFC Bank Ltd for cash credit facility.

8. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks in current accounts	39,94,005	27,12,260
Bank deposits	90,354	85,465
Cash on hand	8,94,436	4,35,016
Total Cash & Cash Equivalents	**49,78,796**	**32,32,741**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months	9,10,375	10,50,314
Deposits with original maturity of more than 3 months but less than 12 months	50,622	-
Total Bank Balances other than Cash & Cash Equivalents	**9,60,997**	**10,50,314**
Cash and cash equivalents as per statement of cash flow statement	49,78,796	32,32,741

9. Other assets

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	-	-	3,53,055	3,13,397
Balance with statutory/ government authorities	1,22,500	1,22,500	-	-
Others	-	-	1,74,665	1,94,164
Total	**1,22,500**	**1,22,500**	**5,27,720**	**5,07,561**

10. Equity Share Capital

Amt in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Share capital :		
20,00,000 fully paid equity shares of ` 10 each	2,00,00,000	2,00,00,000
Issued and subscribed capital comprises:		
10,00,000 fully paid equity shares of Rs.10 each (as at March 31, 2017: 10,00,000)	1,00,00,000	1,00,00,000
Total	1,00,00,000	1,00,00,000

10.1 Fully paid equity shares

Particulars	Number of shares	Share capital
Balance at April 1, 2017	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Balance at March 31, 2018	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Balance at March 31, 2019	**10,00,000**	**1,00,00,000**

Fully paid equity shares have a par value of `.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

10.2 Details of shares held by the holding company.

Particulars	Fully paid ordinary shares	
	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the period - Held by Eureka Forbes Limited	10,00,000	10,00,000
Total as at the end of the period	**10,00,000**	**10,00,000**

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	10,00,000	100%	10,00,000	100%
Total	10,00,000	100%	10,00,000	100%

11. Other equity

Particulars	As at March 31, 2019	As at March 31, 2018
Retained earnings		
Balance at beginning of year	3,61,19,915	2,55,68,707
Add/ (less): Profit/ (loss) for the year	6,07,54,517	1,05,51,208
Balance at end of the year	**9,68,74,432**	**3,61,19,915**
Balance at beginning of year	(51,02,214)	(31,56,462)
Other comprehensive income arising from re-measurement of defined benefit	(27,22,331)	(19,45,752)
Balance at end of the year	**(78,24,545)**	**(51,02,214)**
Total	**8,90,49,887**	**3,10,17,701**

11 A 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 Note 16 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 10 to 11).

Gearing ratio

The gearing ratio at end of the reporting period was as follows. Amt in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (i)	10,54,83,057	9,44,09,972
Less: Cash and cash equivalent	91,91,966	73,57,436
Net debt	9,62,91,092	8,70,52,536
Equity (ii)	9,90,49,887	4,10,17,701
Net debt to equity ratio (%)	**0.97**	**2.12**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

12. Other financial liabilities

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Others :-				
-Dues to employees	-	-	11,79,84,711	10,37,59,243
-Provision for expenses	-	-	1,32,92,452	88,23,335
Total	-	-	**13,12,77,163**	**11,25,82,578**

13. Provisions

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Compensated absences	8,93,943	6,05,219	2,55,27,129	18,08,367
Gratuity payable	-	1,26,08,892	1,78,70,672	11,53,361
Total	**8,93,943**	**1,32,14,111**	**4,33,97,801**	**29,61,728**

14. Deferred tax balances

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

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	3,37,84,319	2,74,00,700
Deferred tax liabilities	-	-
Net	**3,37,84,319**	**2,74,00,700**

Particulars	Property Plant & Equipement	Provisions- Impact of Expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	Impact of change in useful life of fixed assets due to transition to Schedule II of Companies Act,2013	Others	Total
Deferred tax (Liabilities)/Assets in relation to:					
Closing Balance Asset/(Liability) March 31,2018	**40,19,263**	**1,83,54,039**	**38,79,190**	**11,48,208**	**2,74,00,700**
Recognised in Profit & Loss	10,15,147	32,22,931	-	21,45,541	**63,83,619**
Recognised in Other Comprehensive Income	-	-	-	-	**-**
Closing Balance Asset/(Liability) March 31,2019	**50,34,410**	**2,15,76,970**	**38,79,190**	**32,93,749**	**3,37,84,319**

15. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
(a) Others - Deductions from employees for company's assets	-	-	72,48,293	68,72,793
(b) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT, GST etc.)	-	-	3,73,27,401	4,11,99,394
Total	**-**	**-**	**4,45,75,694**	**4,80,72,187**

16. Current Borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured - at amortised cost		
(a) Loans repayable on demand		
- ICD from related parties	-	-
Secured - at amortised cost		
(b) Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	10,54,83,057	9,44,09,972
Total	**10,54,83,057**	**9,44,09,972**

(i) Short term borrowing from HDFC Bank Ltd. and Axis Bank Ltd. is secured by pari-passu charge on company's Current Assets and carries interest @ 9.8 % to 12.20 % p.a.

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

17. Trade payables

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (Refer note below)			35,56,125	29,44,682
Total outstanding dues of creditors other than micro enterprises and small enterprises			10,98,90,680	9,81,52,149
Trade payables to related parties (Refer note 36)			1,23,83,095	9,50,18,619
Total	**-**	**-**	**12,58,29,899**	**19,61,15,451**

17.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Principal amount remaining unpaid to MSME suppliers as on year end	35,56,125	29,44,682
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	20,186	-
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

17.2 The average credit period of Purchase is between 45-60 days.

18. Current tax assets and liabilities

Particulars	Non Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Income tax assets (Net)				
Advance income-tax (Net of provision of taxation)	6,45,83,506	5,87,80,278	-	-
Total	**6,45,83,506**	**5,87,80,278**	**-**	**-**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

19. Revenue from operations

Amt in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Revenue from contracts with customers		
Sale of Food & Beverages	62,90,10,550	47,11,56,090
Sale of Facility Management services	1,14,60,29,301	1,00,71,77,468
Total	**1,77,50,39,851**	**1,47,83,33,558**

20. Other Income and other gains/ (losses)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Income:		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
-Bank deposits (at amortised cost)	2,57,603	1,65,612
-Interest on income tax refund	18,46,092	-
-Interest other	1,51,11,182	-
Other income:		
-'Liabilities no longer payable written back	77,27,142	-
-Miscellaneous income	1,03,00,497	28,968
Other gains/(losses)		
Foreign exchange gain/ (loss)	2,84,204	19,516
Profit on sale of assets	2,20,438	-
Total	**3,57,47,159**	**2,14,096**

21. Cost of materials consumed

Particulars	As at March 31, 2019	As at March 31, 2018
Material consumption		
Consumption of Consumables		
Inventory at the beginning of the year	1,45,16,544	95,70,801
Add : Purchases	7,08,19,202	6,63,94,984
	8,53,35,747	7,59,65,785
Less : Inventory at the end of the year	(1,46,39,891)	(1,45,16,544)
	7,06,95,856	6,14,49,241
Consumption of Foods & Beverages		
Inventory at the beginning of the year	74,40,866	44,74,044
Add : Purchases	41,76,77,727	32,02,26,414
	42,51,18,593	32,47,00,458
Less : Inventory at the end of the year	(1,01,65,525)	(74,40,866)
	41,49,53,068	31,72,59,592
Total	**48,56,48,924**	**37,87,08,834**

22. Employee benefits expense

Particulars	As at March 31, 2019	As at March 31, 2018
Salaries and Wages	92,19,89,484	79,18,92,622
Contribution to provident and other funds	10,47,20,312	10,46,92,757
Staff Welfare Expenses	2,16,02,859	2,76,97,035
Total	**1,04,83,12,655**	**92,42,82,414**

23. Finance costs

Particulars	As at March 31, 2019	As at March 31, 2018
Interest on bank overdrafts	1,23,98,223	1,13,32,239
Interest on ICD	-	4,76,918
Total	**1,23,98,223**	**1,18,09,157**

24. Depreciation and amortisation expense

Particulars	As at March 31, 2019	As at March 31, 2018
Depreciation of property, plant and equipment (Refer Note 4)	1,35,68,260	1,40,68,896

Notes to the financial statements for the year ended March 31, 2019

25. Other expenses

Amt in Rs.

Particulars	As at March 31, 2019	As at March 31, 2018
Electricity	6,49,385	6,46,763
Rent	2,00,08,790	1,93,47,548
Repairs and Maintenance -		
Machinery	13,73,800	15,27,776
Others	10,36,284	4,52,962
Insurance	30,46,725	26,77,399
Advertisement	5,20,300	4,01,325
Selling and Sales Promotion	48,605	1,98,001
Payment to Auditors (Refer details Below)	6,50,275	7,05,920
Printing and Stationery	38,72,782	22,17,182
Communication cost	43,41,906	44,63,372
Travelling and Conveyance	1,50,86,494	1,33,29,222
Legal and Professional Fees	82,61,327	74,34,505
Vehicle Running Expenses	3,71,002	5,22,076
Rates and taxes, excluding taxes on income	40,28,870	12,13,212
Information Technology Expenses	46,90,366	43,14,981
Other Establishment Expenses	1,61,52,079	1,17,81,943
Directors' Sitting Fees	1,70,000	94,000
Bad Debts/Advances Written-Off	86,22,812	74,475
Provision for Doubtful Debts/ Deposits	71,83,676	20,04,233
Loss on discard of assets	9,56,362	-
Total	**10,10,71,839**	**7,34,06,896**

Payments to auditors	As at March 31, 2019	As at March 31, 2018
a) For audit	5,25,000	5,25,000
b) For taxation matters	1,00,000	75,000
c) For company law matters	-	-
d) For other services	25,275	1,05,920
e) For reimbursement of expenses		
Total	**6,50,275**	**7,05,920**

26. Income taxes

26.1 Income tax recognised in profit or loss

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax		
In respect of the current year	3,21,07,294	1,28,42,399
In respect of prior years	-	-
	3,21,07,294	1,28,42,399
Deferred tax		
In respect of the current year	(63,83,619)	(3,56,690)
Minimum Alternate Tax entitlement	-	-
Total income tax expense recognised in the current year	**2,57,23,675**	**1,24,85,709**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

Note 27: Tax Reconciliation
Tax expense
(a) Amounts recognised in profit and loss

Amt in Rs.

Particulars	2018-19	2017-18
Current income tax	3,21,07,294	1,28,42,399
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	(63,83,619)	(3,56,690)
Deferred tax expense	(63,83,619)	(3,56,690)
Taxes of earlier years	85,202	-
Tax expense for the year	**2,58,08,877**	**1,24,85,709**

(b) Amounts recognised in other comprehensive income

Particulars	2018-19			2017-18		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(38,40,761)	(11,18,430)	(27,22,331)	(29,06,711)	(9,60,959)	(19,45,752)
Total	**(38,40,761)**	**(11,18,430)**	**(27,22,331)**	**(29,06,711)**	**(9,60,959)**	**(19,45,752)**

(c) Reconciliation of effective tax rate

Particulars	2018-19	2017-18
Profit/(Loss) before tax	**8,65,63,394**	**2,30,36,917**
Tax using the Company's domestic tax rate (Current year 29.12% and Previous Year 33.063%)	2,52,07,260	76,16,696
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
1. On account of disallowance of expenses	-	52,25,704
2. On account of temporary difference	-	(55,20,669)
3. On account of permanent difference	9,45,921	-
4. On account of tax rate difference and earlier year tax adjustments	(3,44,304)	51,63,978
	2,58,08,877	**1,24,85,709**
The Company's consolidated weighted average tax rates for the years ended March 31, 2019 and 2018	**29.82**	**54.20**

Notes to the financial statements for the year ended March 31, 2019

Note 28: Deferred Tax

Amt in Rs.

Provision for Deferred tax	Opening as on 1.4.2017 Asset	Charge /(Credit) During the year	Closing As At 31.03.2018 Asset
Depreciation	86,36,137	(7,37,684)	78,98,453
		-	
Expenses allowed for tax purpose on payment basis	1,80,01,859	3,52,180	1,83,54,039
		-	
Provision For Doubtful Debts	4,06,014	7,42,194	11,48,208
TOTAL	**2,70,44,010**	**3,56,690**	**2,74,00,700**

Provision for Deferred tax	Opening as on 1.4.2018 Asset	Charge /(Credit) During the year	Closing As At 31.03.2019 Asset
Depreciation	78,98,453	10,15,147	89,13,600
Expenses allowed for tax purpose on payment basis	1,83,54,039	32,22,931	2,15,76,970
Provision For Doubtful Debts	11,48,208	21,45,541	32,93,749
TOTAL	**2,74,00,700**	**63,83,619**	**3,37,84,319**

Note 29 : Earnings per share (EPS)

The calculation of profit attributable to equity shareholders and weighted average number of equity shares outstanding for the purpose of basic and diluted earnings per share calculation are as follows:

Amt in Rs.

Particulars	March 31, 2019	March 31, 2018
Profit for the year attributable to equity shareholders	6,07,54,517	1,05,51,208
Face value per equity share	10	10
Weighted average number of equity shares	10,00,000	10,00,000
Basic & Diluted earnings per share	**60.75**	**10.55**

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

Note 30: Litigation

i) The Company had entered into an agreement with Nayati Multi Super Speciality for providing the Sanitary House Keeping Services at their Hospital. There is a dispute regarding non payment from Nayati Multi Super Speciality to the Company totalling to a amount of Rs.75,46,313/-. This matter has been referred for arbitration.

Note 31: Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

(i) Bank Guarantees issued on behalf of the Company - **Rs.** 59,76,926**/-** (Rs. 80,07,063/-)

(ii) The company has received a demand from Income tax department of Rs 94.57 lakhs for AY 2013 -14 against which the Company has filed an appeal with Commissioner of Income Tax (Appeals)

(iii) The Company has received a demand from MVAT department of Rs 309 lakhs for AY 2014 -2015 against which the Company has filed an appeal with Commissioner of State Tax (Appeals).

(iv) The company has received a demand from MVAT department of Rs 61.33 lakhs for AY 2013 -14 against which the Company has filed an appeal with Deputy Commissioner of State Tax (Appeals).

(v) The Company has received demand from Service tax department of Rs 174.80 lakhs for the period FY 2009 – 2014 against which the Company has filled an appeal with Commissioner of Service tax (Appeals).

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for - `. NIL

(ii) Towards product performance `.NIL/- (*previous year `.NIL/-)*

(iii) Towards service performance `. NIL/-(*previous year `.NIL/-)*

Note 32:

The disclosures required under IND AS 19 "Employee Benefits are given below :

Employee benefit obligation

Amt in Rs.

Particulars	As at 31 March 2019		As at 31 March 2018	
	Non-current	Current	Non-current	Current
Compensated absences	8,93,943	2,55,27,129	6,05,219	3,00,823
Gratuity	-	1,78,70,672	1,26,08,892	11,53,361
	8,93,943	**4,33,97,801**	**1,32,14,111**	**14,54,184**

i) Defined Benefit Plans-Gratuity

The Company provides for gratuity for employees 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 partly funded

Defined Benefit Plan

a Change in present value of obligation

Amt in Rs.

Particulars	2018-19	2017-18
	Gratuity (partly funded)	Gratuity (Unfunded)
Present Value of Benefit Obligation at the Beginning of the Period	1,37,62,253	89,02,466
Current Service cost	29,43,477	20,20,404
Interest cost	9,12,437	5,65,307
Actuarial (gain)/loss on obligations	38,40,761	29,06,711
Benefit paid	15,88,256	6,32,635
Present Value of Benefit Obligation at the End of the Period	1,98,70,672	1,37,62,253

b Amount recognised in the statement of profit and loss

Amt in Rs.

Particulars	2018-19	2017-18
	Gratuity (partly funded)	Gratuity (Unfunded)
Current Service cost	29,43,477	20,20,404
Interest Cost	9,12,437	5,65,307
Actuarial (Gain) or Loss	38,40,761	29,06,711
Expense Recognised in the Statement of Profit and Loss	38,55,914	25,85,711

c Amount recognised in the Balance sheet

Amt in Rs.

Particulars	2018-19	2017-18
	Gratuity (partly funded)	Gratuity (Unfunded)
Present value of benefit obligation at the beginning of the year	1,37,62,253	89,02,466
Expenses Recognised in statement of profit & Loss Account	38,55,914	25,85,711
Expenses Recognised in OCI	38,40,761	29,06,711
Benefit direclty paid by Employer	15,88,256	6,32,635
Employer's contribution	20,00,000	-
Net Liability/ (Asset) Recognised in balance sheet	1,78,70,672	1,37,62,253

d Amount recognised in other comprehensive income for current period

Amt in Rs.

Particulars	2018-19	2017-18
	Gratuity (partly funded)	Gratuity (Unfunded)
Actuarial (Gains)/Losses on Obligation For the Period	38,40,761	29,06,711
Return on Plan Assets, Excluding Interest Income	-	-
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	38,40,761	29,06,711

e Changes in the fair value of plan assets

Amt in Rs.

Particulars	2018-19 Gratuity (partly funded)	2017-18 Gratuity (Unfunded)
Fair value of plan assets at the beginning of the period	-	-
Interest income	-	-
Contribution by the employer	20,00,000	-
Expected contribution by the employees	-	-
Asset transferred in/ acquisitions	-	-
Asset transferred out/ divestment	-	-
Benefit paid from the fund	-	-
Effect of asset selling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	-	-
Fair value of plan assets at the end of the period	20,00,000	-

f Category of assets

Amt in Rs.

Particulars	2018-19 Gratuity (partly funded)	2017-18 Gratuity (Unfunded)
Insurance Fund	20,00,000	-

g Assumptions used in the accounting for defined benefit plans

The principal assumptions are the discount rate & salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities & the salary growth rate takes account of inflation, seniority, promotion and other relevant factors on long term basis.

Particulars	2018-19	2017-18
Discount Rate	6.66%	6.63%
Expected return on plan assets	6.66%	NA
Salary Escalation Rate	5%	5%
Attrition rate		
For service 4 years and below	60%	60%
For service 5 years and above	10%	10%
Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

The estimates for rate of escalation in salary considered in the actuarial valuation takes into account the present salary suitable projected for future taking into consideration the general trend in salary raise and inflation rates. The above information is certified by the actuary.

Defined Benefit Plans / Contribution Plan

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the spcified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is as under

Particulars	2018-19	2017-18
Employer's contribution to Provident Fund	2,29,93,506	1,39,81,172
Employer's contribution to Pension Scheme	5,14,35,158	4,43,08,331

Note 33: Operating Leases

The company has taken various residential / commercial premises under cancelable operating lease. The rent expenses included in the statement of profit & loss for the year is Rs. 2,00,08,790/- (Rs. 1,93,47,548/-). None of the lease agreement entered into by the company contains a clause on contingent rent. The Company has taken many premises on rent and most of the agreements contain an escalation clause which varies depending upon the specific arrangement with the lessor. In all the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts.

Note 34: Segment Reporting

The Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment hence the relevant disclosures as per Ind AS 108 are not applicable to the company.

Note 35: Related party Disclosure

As required by the Ind AS 24 on the "Related Party Disclosures", the list of related parties and their transactions is attached.

Forbes Facility Services Private Limited
Notes to the financial statements for the year ended March 31, 2019

Details required under Ind AS 24 on "Related Party Disclosures " issued by the Institute of Chartered Accountants of India - referred in note no. 35 for the year ended 31st March 2019

(I) Name of related Party and nature of relationship where control exists are as under :

A. Holding Company/Ultimate Holding Company
1 Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)
2 Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)
3 Eureka Forbes Ltd (Holding Company)

B. Fellow subsidiaries (where thre are transactions during the year)
1 Aquaignis Technologies Pvt. Ltd.

C. Enterprises that are under common control (where thre are transactions during the year)
1 Forvol International Services Ltd
2 Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd
3 Forbes Aquatech Ltd
4 SP Armada Oil Exploration Pvt. Ltd.
5 Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
6 Volkart Fleming Shipping & Services Ltd
7 Relationship Properties Pvt Ltd
8 Shapoorji Pallonji Rural Solutions Pvt Ltd
9 HPCL Shapoorji Energy Ltd
10 Shapoorji Pallonji Oil And Gas Pvt Ltd
11 S D Corporation Pvt Ltd
12 Afcon Infrastructure Ltd
13 Forbes Bumi Armada Offshore Limited
14 Joyville Shapoorji Housing Pvt Ltd
15 Infinite Water Soutions Pvt. Ltd.
16 Armada Madhura EPC Ltd
17 Shapoorji Pallonji Finance

D. Key Managerial Personnel - Mr. Vinay Deshmukh (Executive Director)

(II) Transactions with Related Parties for the year ended 31st March 2019

Nature of Transactions	Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above
Purchases				
Goods and Materials	55,90,765	-	-	
Fixed Assets	75,61,414	-	-	
	1,31,52,179	**-**	**-**	**-**
Sales				
Goods and Materials	-		-	
Services Rendered	10,76,82,651	2,84,568	10,75,91,907	
Fixed Assets	-		-	
	10,76,82,651	**2,84,568**	**10,75,91,907**	**-**
Expenses				
Rent and other services	-	-	-	
Telephone expenses	73,560	-	-	
Repairs & Other Expenses	35,500	-	-	
Finance Charges	-	-	-	
Interest on ICD Taken	-	-	-	
Travelling expenses	-	-	62,033	
Management Fees/ IT expenses	1,04,44,702	-	-	
Bad Debts/Advances written off	-	-	-	
	1,05,53,762	**-**	**62,033**	**-**
Remuneration *	-	-	-	82,04,826
Finance				
Repayment of Inter-Corporate Deposits taken	-	-	-	
Outstanding				
Trade Payables	-	-	-	
Other Payables	1,23,83,095	-	-	
Trade Receivables	2,88,74,075	42,967	2,35,96,382	

* The remuneration is subject to approval of the Shareholders.

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2019

(III) The above Transaction includes :

	A	A	A	B	C	C	C	C	C	C
Nature of Transactions	**Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)**	**Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)**	**Eureka Forbes Ltd (Holding Company)**	**Aquaignis Technologies Pvt Ltd**	**Forvol International Services Ltd**	**Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd**	**Forbes Aquatech Ltd**	**SP Armada Oil Exploration Pvt. Ltd.**	**Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)**	**Volkart Fleming Shipping & Services Ltd**
Purchases										
Goods and Materials			55,90,765							
Fixed Assets			75,61,414							
	-	**-**	**1,31,52,179**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sales										
Goods and Materials										
Services Rendered	2,65,37,057	23,32,053	7,88,13,541	2,84,568	1,79,828	16,74,401	3,88,474	94,19,251	4,11,807	1,93,958
Fixed Assets										
	2,65,37,057	**23,32,053**	**7,88,13,541**	**2,84,568**	**1,79,828**	**16,74,401**	**3,88,474**	**94,19,251**	**4,11,807**	**1,93,958**
Expenses										
Rent										
Telephone & Electricity Expenses			73,560							
Repairs & Other Expenses			35,500							
Interest on ICD Taken										
Travelling expenses					62,033					
Management Fees/ IT expenses	57,54,336		46,90,366							
	57,54,336	**-**	**47,99,426**	**-**	**62,033**	**-**	**-**	**-**	**-**	**-**
Finance										
Repayment of Inter-Corporate Deposits taken										
Outstanding										
Trade Payables										
Other Payables	1,23,83,095									
Trade Receivables	69,94,330	3,42,039	2,15,37,706	42,967	18,356	4,63,211	22,531	12,43,181	42,215	19,405

Nature of Transactions	C Relationship Properties Pvt Ltd	C Shapoorji Pallonji Rural Solutions Pvt Ltd	C HPCL Shapoorji Energy Ltd	C Shapoorji Pallonji Oil And Gas Pvt Ltd	C S D Corporation Pvt Ltd	C Afcon Infrastructure Ltd	C Forbes Bumi Armada Offshore Limited	C Joyville Shapoorji Housing Pvt. Ltd	C INFINITE WATER SOLUTIONS PVT LTD	C Armada Madhura EPC Ltd	C Shapoorji Pallonji Finance
Purchases											
Goods and Materials											
Fixed Assets											
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**			**-**
Sales											
Goods and Materials											
Services Rendered	67,87,663	-	5,46,640	10,46,500	1,75,37,822	5,27,02,141	1,21,29,848	27,90,155	7,67,040	2,90,865	7,25,512
Fixed Assets											
	67,87,663	**-**	**5,46,640**	**10,46,500**	**1,75,37,822**	**5,27,02,141**	**1,21,29,848**	**27,90,155**	**7,67,040**	**2,90,865**	**7,25,512**
Expenses											
Rent											
Telephone Expenses											
Repairs & Other Expenses											
Interest on ICD Taken											
Travelling expenses											
Management Fees											
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**	**-**
Finance											
Repayment of Inter-Corporate Deposits taken											
Outstanding											
Trade Payables											
Other Payables											
Trade Receivables	22,94,854	-	1,29,318	1,89,706	34,98,019	1,13,51,061	27,14,890	11,98,605	81,318	1,08,569	2,21,143

Details required under Ind AS 24 on "Related Party Disclosures " issued by the Institute of Chartered Accountants of India - referred in note no. 35 for the year ended 31st March 2018

(I) Name of related Party and nature of relationship where control exists are as under :

A. Holding Company/Ultimate Holding Company
1 Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)
2 Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)
3 Eureka Forbes Ltd (Holding Company)

B. Fellow subsidiaries (where thre are transactions during the year)
1 Aquamall Water Solutions Limited (refer foot note)

C. Enterprises that are under common control (where thre are transactions during the year)
1 Forvol International Services Ltd
2 Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd
3 Forbes Aquatech Ltd
4 Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
5 Volkart Fleming Shipping & Services Ltd
6 Aquaignis Technologies Pvt Ltd
7 Shapoorji Pallonji Investments advisors Pvt Ltd
8 Relationship Properties Pvt Ltd
9 Shapoorji Pallonji Rural Solutions Pvt Ltd
10 HPCL Shapoorji Energy Ltd
11 Shapoorji Pallonji Oil And Gas Pvt Ltd
12 S D Corporation Pvt Ltd
13 Afcon Infrastructure Ltd
14 Forbes Bumi Armada Offshore Limited
15 Joyville Shapoorji Housing Pvt Ltd

D. Key Managerial Personnel - Mr. Vinay Deshmukh (Executive Director)

(II) Transactions with Related Parties for the year ended 31st March 2018

Nature of Transactions	Referred to in A above	Referred to in C above	Referred to * in D above
Purchases			
Goods and Materials	56,48,741	-	
Fixed Assets	1,06,72,359	-	
	1,63,21,100	**-**	**-**
Sales			
Goods and Materials	-	-	
Services Rendered	5,03,49,964	9,59,60,706	
Fixed Assets	-	-	
	5,03,49,964	**9,59,60,706**	**-**
Expenses			
Rent and other services	9,27,000	-	
Tel	1,01,753	-	
Repairs & Other Expenses	10,923	-	
Finance Charges	-	-	
Interest on ICD Taken	4,76,918	-	
Travelling expenses	3,500	2,75,876	
Management Fees	94,16,204	-	
Bad Debts/Advances written off	-	-	
	1,09,36,299	**2,75,876**	**-**
Remuneration	-	-	28,17,786
Finance			
Repayment of Inter-Corporate Deposits taken	2,40,00,000	-	
Outstanding			
Trade Payables	9,50,18,619	-	
Other Payables	66,28,759	-	
Advances Recceived	-	-	
Trade Receivables	53,32,776	2,69,93,903	
	-	-	-

(III) **The above Transaction includes :**

Nature of Transactions	A Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)	A Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)	A Eureka Forbes Ltd (Holding Company)	C Forvol International Services Ltd	C Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	C Forbes Aquatech Ltd	C Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)	C Volkart Fleming Shipping & Services Ltd
Purchases								
Goods and Materials			56,48,741					
Fixed Assets			1,06,72,359					
	-	**-**	**1,63,21,100**	**-**	**-**	**-**	**-**	**-**
Sales								
Goods and Materials								
Services Rendered	1,97,40,200	18,29,497	2,87,80,267		13,45,123	4,03,672	4,14,753	1,86,547
Fixed Assets								
	1,97,40,200	**18,29,497**	**2,87,80,267**	**-**	**13,45,123**	**4,03,672**	**4,14,753**	**1,86,547**
Expenses								
Rent			9,27,000					
Telephone Expenses			1,01,753					
Repairs & Other Expenses			10,923					
Interest on ICD Taken			4,76,918					
Travelling expenses			3,500	2,75,876				
Management Fees	51,01,224		43,14,981					
	51,01,224	**-**	**58,35,075**	**2,75,876**	**-**	**-**	**-**	**-**
Finance								
Repayment of Inter-Corporate Deposits taken			2,40,00,000					
Outstanding								
Trade Payables			9,50,18,619					
Other Payables	66,28,759							
Trade Receivables	49,43,350	3,89,426			2,76,577	38,918	50,332	37,975

Note:-
Pursuant to the provisions of section 233 and other applicable provisions of the Companies Act, 2013 Aquamall Water Solutions Limited (‘AWSL’) has been amalgamated with Eureka Forbes Limited (‘EFL’) as per scheme of Amalgamation approved by the Regional Director, Ministry of Corporate Affairs vide order dated March 31, 2018 (appointed date April 1, 2016). Accordingly, transactions with, receivables from / payable to AWSL have been included under receivable from / payable to EFL.

Nature of Transactions	Aquaignis Technologies Pvt Ltd	Relationship Properties Pvt Ltd	Shapoorji Pallonji Rural Solutions Pvt Ltd	HPCL Shapoorji Energy Ltd	Shapoorji Pallonji Oil And Gas Pvt Ltd	S D Corporation Pvt Ltd	Afcon Infrastructure Ltd	Forbes Bumi Armada Offshore Limited	Joyville Shapoorji Housing	INFINITE WATER SOLUTIONS PVT LTD	Shapoorji Pallonji Finance
	C	C	C	C	C	C	C	C	C	C	C
Purchases											
Goods and Materials											
Fixed Assets											
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Sales											
Goods and Materials											
Services Rendered	2,96,940	55,82,478	-	4,33,004	8,85,712	1,41,34,228	5,67,72,978	1,26,73,932	12,43,562	8,44,762	7,43,015
Fixed Assets											
	2,96,940	**55,82,478**	**-**	**4,33,004**	**8,85,712**	**1,41,34,228**	**5,67,72,978**	**1,26,73,932**	**12,43,562**	**8,44,762**	**7,43,015**
Expenses											
Rent											
Telephone Expenses											
Repairs & Other Expenses											
Interest on ICD Taken											
Travelling expenses											
Management Fees											
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Finance											
Repayment of Inter-Corporate Deposits taken											
Outstanding											
Trade Payables											
Other Payables											
Trade Receivables	30,436	31,06,582	18,676	87,732	1,77,448	70,07,205	1,37,76,344	16,36,682	5,32,358	83,264	1,33,375

Note:-
Pursuant to the provisions of section 233 and other applicable provisions of the Companies Act, 2013 Aquamall Water Solutions Limited (‘AWSL’) has been amalgamated with Eureka Forbes Limited (‘EFL’) as per scheme of Amalgamation approved by the Regional Director, Ministry of Corporate Affairs vide order dated March 31, 2018 (appointed date April 1, 2016). Accordingly, transactions with, receivables from / payable to AWSL have been included under receivable from / payable to EFL.

Note 36: Financial instruments – Fair values and risk management

A. Accounting classification and fair values

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
Financial assets						
Cash and cash equivalents	-	-	59,39,792	-	-	42,83,055
Trade and other receivables	-	-	35,91,84,407	-	-	34,07,50,081
Other Current financial Asset	-	-	53,385	-	-	94,510
Other Non Current financial Asset	-	-	2,00,54,177	-	-	1,31,13,656
Total Financial Asset	**-**	**-**	**38,52,31,761**	**-**	**-**	**35,82,41,302**
Financial liabilities						
Trade and other payables	-	-	12,58,29,899	-	-	19,61,15,451
Other Current financial liabilities	-	-	13,12,77,163	-	-	11,25,82,578
Current Borrowings	-	-	10,54,83,057	-	-	9,44,09,972
Total Financial Liabilities	**-**	**-**	**36,25,90,120**	**-**	**-**	**40,31,08,001**

The Company has not disclosed the fair values for financial instruments such as trade receivables, cash and cash equivalents, other bank balances, loans, borrowings, trade payable, other financial assets and financial liabilities, because their carrying amounts are a reasonable approximation of fair value.

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has a system in place to ensure risk identification and ongoing and periodic risk assessment is carried out. The Board of Directors periodically monitor the risk assessment.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Amt in Rs.

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables	35,91,84,407	34,07,50,081
Cash and cash equivalents	49,78,796	32,32,741
Other bank balances	9,60,997	10,50,314
Other financial assets	53,385	94,510

Trade and other receivables

Customer credit risk is managed as per Company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, estabilishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairement loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account historical experience with customers.

Trade receivables are typically unsecured as the Company does not hold collateral as security. Company is exposed to credit risk which is influenced by individual characteristics of each customer.

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

Amt in Rs.

Particulars	Carrying amount	
	March 31, 2019	March 31, 2018
India	34,99,86,600	33,43,31,217
Other regions	91,97,807	64,18,864
Total	**35,91,84,407**	**34,07,50,081**

At March 31, 2019, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

Impairment

At March 31, 2019, the ageing of trade and other receivables are as follows.

Amt in Rs.

Particulars	Carrying amount	
	March 31, 2019	March 31, 2018
Not Due	18,02,86,235	14,71,84,402
00-30 days	10,52,31,235	9,90,92,368
31-60 days	1,68,45,549	54,35,095
61- 90 days	21,87,973	38,30,362
more than 90 days	5,46,33,414	8,52,07,854
Total	**35,91,84,407**	**34,07,50,081**

Management believes that the unimpaired amounts that are past due by more than credit days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

Amt in Rs.

	Collective impairments
Balance as at April 1, 2017	21,23,043
Impairment loss recognised	20,04,233
Amounts written off	-
Balance as at March 31, 2018	41,27,276
Impairment loss recognised	71,83,676
Amounts written off	-
Balance as at March 31, 2019	1,13,10,952

At March 31, 2019, there was an impairment loss of INR 1,13,10,952 related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 49,78,796/- at March 31, 2019 (INR 32,32,741/- at March 31, 2018).

Financial instruments – Fair values and risk management (continued)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Amt in Rs.

		Contractual cash flows				
March 31, 2019	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Working capital loans from banks	10,54,83,057	10,54,83,057	10,54,83,057			
Trade payables	12,58,29,899	12,58,29,899	12,58,29,899			
Other financial liabilities	13,12,77,163	13,12,77,163	13,12,77,163			

		Contractual cash flows				
March 31, 2018	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Working capital loans from banks	9,44,09,972	9,44,09,972	9,44,09,972			
Trade payables	19,61,15,451	19,61,15,451	19,61,15,451			
Other financial liabilities	11,25,82,578	11,25,82,578	11,25,82,578			

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk is attributable to all market risk sensitive financial instruments including foreign currency payables, deposits with banks and borrowings. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

Financial instruments – Fair values and risk management (continued)

Foreign Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which purchases are denominated and the functional currency of Company. The functional currency of the Company is Indian Rupees. The Company is primarily exposed to foreign currency fluctuation between the USD and Indian Rupees

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows:

	March 31, 2019 USD	March 31, 2018 USD
Financial assets		
Trade and other receivables	1,33,028	98,628
	1,33,028	98,628

Financial liabilities		
Trade and other payables	-	-
	-	-

The following significant exchange rates have been applied during the year.

Particulars	Average rate		Year-end spot rate	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
USD /INR	69.85	65.07	69.32	65.08

Sensitivity analysis

A reasonably possible strengthening (weakening) of the INR, US dollar or Euro against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

10% appreciation of the USD as indicated below, against Indian Rupees would have decreased gain by the amounts shown below:

Effect in INR	Profit or (loss)
March 31, 2019	
USD 10% strengthening	(9,22,153)
March 31, 2018	
USD 10% strengthening	(6,41,886)

10% depreciation of the USD against Indian Rupees would have had the equal but opposite effect on the above currency to the amounts shown above, on basis that all other variables remain constant.

Market Risk- Interest rate

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at 31 March 2019	As at 31 March 2018
Variable-rate instruments		
Financial liabilities		
Borrowing	10,54,83,057	9,44,09,972

Fixed deposits made by the Company carries fixed rate of interest and hence there is no interest rate risk.

Cash flow sensitivity analysis for variable-rate instruments

An increase of 100 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	Profit or (loss)
March 31, 2019	
Variable-rate instruments	(10,54,831)
Cash flow senstivity	**(10,54,831)**
March 31, 2018	
Variable-rate instruments	(9,44,100)
Cash flow senstivity	**(9,44,100)**

A decrease of 100 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

37 : Previous year figures have been regrouped or arranged wherever necessary.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Kaushal Mehta
Partner
Membership No. 111749

Mumbai , Dated : 30 April 2019

V Surendran
Director
(DIN- 07322381)

Marzin Shroff
Director
(DIN-00642613)

C. A. Karnik
Director
(DIN-00003874)

S K Palekar
Director
(DIN-01723670)

Vinay Deshmukh
Executive Director & CEO
(DIN-07153755)

Mumbai , Dated: 30 April 2019

1. **Reporting entity**

Forbes Facility Services Private Limited (the 'Company') is a Company domiciled in India. The company has shifted its registered office from B1/B2, 7th floor, 701, Marathon Innvoa, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 to . 5th floor, Rupam Building, 239, P.D'mello Road, Fort, Mumbai – 400001. The Company is primarily involved in Mechanized Housekeeping & Catering Services.

2. **Basis of Preparation**

a. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act , 2013 ('the Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The financial statements were authorized for issue by the Company's Board of Directors on **30th April 2019.**
Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the investment in equity shares which has been measured on fair value basis.

d. Use of estimates and judgments

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(e) and 32 – employee benefit plans
- Note 3(f) and 31 – provisions and contingent liabilities
- Note 3(j) and 33 – Lease Classification
- Note 3(k) and 26 – Income taxes

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:
-Note 14 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
-Note 31– recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The finance team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss, except exchange differences arising from the translation of the equity investments which are recognized at fair value through OCI (FVOCI).

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. *Classification and subsequent measurement*

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL -

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets within this category.

On initial recognition of an equity investment that is not held for trading, the Company has elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. The Company does not have any financial assets within this category.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any fixed liabilities under the category of FVTPL.

iii. ***De recognition***

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. ***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	**Management estimate of useful life**	**Useful life as per Schedule II of the Companies Act, 2013**
Plant and machinery	5 years	15 years
Office equipments	3 years	5 years
Furniture and fixtures	5 years	10 years
Computers	3 years	3 years
Vehicles- Motor car	5 years	8 years
Electric fittings	5 years	10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

d. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity(Refer Note 7).

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

e. Employee benefits

i. ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

f. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

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

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

g. Revenue

The Company has adopted Ind AS 115 - 'Revenue from contracts with customers' with effect from April 01, 2018. Revenue from the sale of goods in the course of ordinary activities is recognised at the 'transaction price' when the goods are 'transferred' to the customer. The 'transaction price' is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example, goods and service tax). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.The goods are considered as 'transferred' when the customer obtains control of those goods.

Revenue from services are recognised in the accounting period in which service are rendered. For fixed price contracts, revenue is recognised based on actual services provided to the end of the reporting period as a proportion of the total services to be provided.

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

There is no impact on account of applying the Ind AS 115 Revenue from contract with customers instead of erstwhile Ind AS 18 Revenue on the financials Statements of the Company for the year ended and as at March 31, 2019.

h. Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

i. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on:
-financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses: bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

j. Leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet.

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

k. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

l. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

m. Statement of cash flows:

Cash Flows are reported using indirect method, where by profit /loss before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flow for the year are classified by operating, investing and financing activities.

n. Recent Accounting Pronouncements:

a. Ind AS 116 Leases :, Ministry of Corporate Affairs has notified Ind AS 116, Leases in March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.
The effect of adoption as on transition date would result in an increase in Right of use asset and an increase in lease liability

b. Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments : On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

c. **Amendment to Ind AS 12 – Income taxes** : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, ‘Income Taxes’, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

d. **Amendment to Ind AS 19 – plan amendment, curtailment or settlement**- The Ministry of Corporate Affairs issued amendments to Ind AS 19, ‘Employee Benefits’, on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

FORBES LUX FZCO

(a subsidiary of Euro Forbes Limited)

Financial Statements

For the year ended December 31, 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FORBES LUX FZCO

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **FORBES LUX FZCO (the "company")**, which comprise the statement of financial position as at 31 December 2018, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter discussed in the basis for opinion paragraph, the accompanying financial statements present fairly, in all material respects the financial position of **FORBES LUX FZCO** as at 31 December 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and implementing rules and regulations issued by the Jebel Ali Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 charged with governance are responsible for overseeing the company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

•Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

•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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.

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

We communicate with those charged with governance regarding, amoung 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.

Report on Other Legal and Regulatory Requirements
Also, in our opinion, the company has maintained proper books of account and these financial statements are in agreement with the books of account. We have obtained all the information considered necessary for our audit. To the best of our knowledge and belief no violations of the Jebel Ali Free Zone Companies Implementing Regulations 2016 or the articles of association have occurred during the year, which would have had a material effect on the business of the company or on its financial position.

Signed by:
C. D. Shah
Partner
Registration No. 677
Shah & Alshamali Associates Chartered Accountants

FORBES LUX FZCO
Statement of Financial Position
31st December 2018

	Notes	2018 US $	2018 INR	2017 US $	2017 INR
ASSETS					
Non-current assets					
Property & Equipment	5	151	8,579	1,809	60,490
Other Financial Assets	6				
		151	**8,579**	**1,809**	**60,490**
Current assets					
Inventories	6	85,098	59,09,154	80,042	50,99,860
Trade and other receivables	7	37,16,468	25,80,69,308	2,64,71,309	1,68,66,14,159
Advances and other receivables	8	14,23,431	9,88,42,195	44,81,190	28,55,18,125
Cash & Cash Equivalents	9	8,51,706	5,91,41,954	3,01,953	1,92,38,875
		60,76,703	**42,19,62,610**	**3,13,34,494**	**1,99,64,71,018**
Total assets		**60,76,854**	**42,19,71,189**	**3,13,36,303**	**1,99,65,31,508**
EQUITY AND LIABILITIES					
Capital and reserves					
Shareholders' funds					
Share Capital	10	2,89,39,736	1,94,14,27,302	1,39,63,562	88,49,05,748
Accumulated losses		(3,84,23,878)	(2,57,37,71,914)	(1,10,39,686)	(67,35,64,383)
Foreign Currency Translation Reserve			**(2,62,30,425)**		**(2,51,01,960)**
Shareholders' equity funds		**(94,84,142)**	**(65,85,75,037)**	**29,23,876**	**18,62,39,404**
Loan Account	11	-	-	2,74,98,898	1,75,20,86,786
Total shareholder's funds		**(94,84,142)**	**(65,85,75,037)**	**3,04,22,774**	**1,93,83,26,191**
Current liabilities					
Shareholders' loan account	11	1,39,63,264	96,96,00,674	-	-
Trade payables	12	15,50,870	10,76,91,482	8,65,088	5,51,18,909
Advance from Customers		36,600	25,41,482	9,728	6,19,818
Accruals		10,262	7,12,587	38,713	24,66,591
Total liabilities		**1,55,60,996**	**1,08,05,46,226**	**9,13,529**	**5,82,05,318**
Total equity and liabilities		**60,76,854**	**42,19,71,189**	**3,13,36,303**	**1,99,65,31,508**

The notes on pages 7 to 20 form an integral part of these financial statements.

FORBES LUX FZCO
Statement of Profit or Loss and Other Comprehensive Income
for the year ended 31 December 2018

	Notes	2018 US $	2018 INR	2017 US $	2017 INR
Sales		**27,18,812**	***18,68,47,092***	**24,71,294**	***15,96,39,538***
Cost of sales	13	(21,70,223)	(14,86,84,145)	(18,91,828)	(12,26,64,812)
Gross profit		**5,48,589**	**3,81,62,947**	**5,79,466**	**3,69,74,725**
Administrative and selling expenses	14	(4,45,333)	(3,05,42,989)	(3,35,753)	(2,16,88,821)
Provision for doubtful receivables	7 & 8	(62,765)	(43,13,449)	(7,220)	(4,66,394)
Profit / (Loss) from Operations		**40,491**	**33,06,509**	**2,36,493**	**1,48,19,510**
Profit on sale of Property, Plant and Equipment			-	1,362	87,982
Finance Cost	15 & 16	(11,73,132)	(8,06,22,089)	(13,92,714)	(8,99,65,912)
Net Loss for the year		(11,32,641)	(7,73,15,580)	(11,54,859)	(7,50,58,421)
Total Comprehensive loss for the year		**(11,32,641)**	**(7,73,15,580)**	**(11,54,859)**	**(7,50,58,421)**

The notes on pages 7 to 20 form an integral part of these financial statements.

FORBES LUX FZCO
Statement of Cash Flows
for the year ended 31 December 2018

	Note	2018 USD	2018 INR	2017 USD	2017 INR
Cash Flows from operating activities					
Loss for the year		(11,32,641)	(7,73,15,580)	(11,54,859)	(7,46,01,062)
Adjustments for:					
Depreciation		1,722	56,355	1,719	1,11,043
Provision for doubtful debts		62,765	43,13,449	7,220	4,66,394
Provision for slow moving inventories		-	-	23,546	15,21,014
Bad Debts		459	31,544	-	-
Profit on sale of property, plant and equipment		-	-	(1,362)	(87,982)
Finance Costs		11,73,132	8,06,22,089	13,92,714	8,99,65,912
Operating Profit before working capital changes		**1,05,437**	**77,07,858**	**2,68,978**	**1,73,75,320**
(Increase) / Decrease in Inventories		(5,056)	(8,09,294)	16,863	10,89,308
(Increase) / Decrease in Trade and other receivables		(5,02,175)	(3,48,70,731)	(4,63,510)	(2,99,41,610)
(Increase) / Decrease in Trade and other payables		6,84,203	5,27,40,234	(2,32,411)	(1,50,13,181)
Net Cash from / (used in) operating activities		**2,82,409**	**2,47,68,067**	**(4,10,080)**	**(2,64,90,163)**
Cash Flows from investing activities					
Payment for purchase of property, plant and equipment		(64)	(4,444)	-	-
Proceeds from sale of property, plant and equipment		-	-	1,362	87,982
Net cash from / (used in) investing activities		**(64)**	**(4,444)**	**1,362**	**87,982**
Cash Flows form Financing activities					
Additional capital contribution		1,49,76,174	1,05,65,21,554	-	-
Finance costs paid		(45,78,166)	(31,46,28,965)	(12,917)	(8,34,407)
Proceeds from / (payment of) shareholder's loan (net)		(1,01,30,600)	(70,34,62,786)	5,77,000	3,72,72,786
Net cash from / (used in) financing activities		**2,67,408**	**3,84,29,804**	**5,64,083**	**3,64,38,379**
Effect of Foreign Exchange Translation		-	(2,35,56,897)	-	
Net Increase / (Decrease) in cash and cash equivalents		**5,49,753**	**6,31,93,427**	**1,55,365**	**1,00,36,198**
Cash and Cash equivalents at the beginning of the year		**3,01,953**	**1,95,05,424**	**1,46,588**	**94,69,226**
Cash and Cash equivalents at the end of the year		**8,51,706**	**5,91,41,954**	**3,01,953**	**1,95,05,424**

FORBES LUX FZCO
Statement of Changes in Equity
for the year ended 31 December 2018

	Share Capital	Accumulated losses	Total	Total
	US $	US $	US $	INR
As at 31 December 2016	1,39,63,562	(98,84,827)	40,78,735	27,83,08,135
Net loss for the period	-	(11,54,859)	(11,54,859)	(7,50,58,421)
Foreign Currency Translation Reserve	-	-	-	(1,70,10,310)
As at 31 December 2017	1,39,63,562	(1,10,39,686)	29,23,876	18,62,39,404
Impact of Adoption of IFRS 9	-	(2,62,51,551)	(2,62,51,551)	(1,82,28,91,951)
Contribution during the year	1,49,76,174	-	1,49,76,174	1,05,65,21,554
Net loss for the period	-	(11,32,641)	(11,32,641)	(7,73,15,580)
Foreign Currency Translation Reserve	-	-	-	(11,28,465)
As at 31 December 2018	2,89,39,736	-3,84,23,878	-94,84,142	-65,85,75,037

The notes on pages 7 to 20 from an integral part of these financial statements.

1 Legal status and activity

FORBES LUX FZCO (the "company") is a free zone limited liability company incorporated in the Jebel Ali Free Zone, Dubai, United Arab Emirates pursuant to Law No. 2 of 1986 and implementing Rules and Regulations issued there under by the Jebel Ali Free Zone Authority with Euro Forbes Limited (EFL), UAE and Forbes Lux International AG, Switzerland as its shareholders. The address of the registered office and place of business of the company is Office No. LB17207, P.O. Box 261698, Jebel Ali, Dubai, United Arab Emirates.

The parent shareholder company is Euro Forbes Limited, Dubai and the ultimate parent company is Eureka Forbes Limited, India.

The company is operating under trade license number 106894 with distribution of water heaters, filters & purifications devices, refrigerators, washing machines & household electrical appliances, electrical & electronics appliances and spare parts as its licensed activity.

2 Basis of preparation

Going concern

During the year ended 31 December 2018, the company has incurred loss of US$ 1,132,641 (INR 7,73,15,580 ; 2017: 1,154,859 and INR 7,50,58,420) and has accumulated losses amounting to US$ 38,423,878 (INR 2,57,37,71,913 and 2017: US$ 11,039,686 and INR 2,57,37,71,913) as of above date resulting in equity deficit of US$ 9,484,142 (INR 65,85,75,036). In addition, current liability exceeds current assets by US$ 9,484,293 (INR 65,85,83,615) as of above date mainly due to liability owed to the parent shareholder company of US$ 13,963,264 (INR 96,96,00,674)

The company could not expand the business as was envisaged during the previous year. Further, the adoption of IFRS 9 has significantly impacted the equity funds of the company during the year, despite increase in the share capital during the year.

In order to overcome above position, to pay off the liability owed to a parent shareholder company and to reduce the interest burden of the company, the parent shareholder company has contributed funds for increasing the share capital during the year and since the date of financial position.

The ultimate parent company has decided to alter the business model of the company wherein the business is done through the distributors of the selected country and to reduce the exposure. In view of the same, the management believes that the present cash flows of the company are adequate to run the business at the envisaged growth without further infusion of the funds.

In view of the above, these financial statements are prepared on a going concern basis.

Statement of compliance

The financial statements have been prepared under accrual basis of accounting in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the applicable implementing rules and regulations issued by the Jebel Ali Free Zone Authority.

Basis of measurement

The financial statements have been prepared under the historical cost basis.

Functional and presentation currency

The financial statements have been presented in US Dollars (USD), being the functional and presentation currency of the company.

Use of estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that may affect the reported amount of financial assets and liabilities, revenue, expenses, disclosure of contingent liabilities and the resultant provisions and fair values. Such estimates are necessarily based on assumptions about the several factors and actual results may differ from reported amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note 4.

Application of new and revised International Financial Reporting Standards (IFRS)

The company has adopted IFRS 15 - Revenue from Contracts with Customers and IFRS 9 - Financial Instruments which are effective from 1 January 2018. Further, the company has not early adopted any other standard, interpretation or amendment that has been issued but are not yet effective.

Relevant new and revised IFRS applied with material impact on the financial statements:

IFRS 9 Financial instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The following table summarizes the impact of transition to IFRS 9 on opening balances:

	Accumulated losses (USD)
Closing balance under IAS 39 (31 December 2017)	1,10,39,686
Impact on recognition of expected credit losses under IFRS	
Trade receivables	2,31,40,729
Advance to dealers and a related party	31,10,822
Opening balance under IFRS 9 on date of initial application of 1 January 2018	3,72,91,237

a Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

The effect of adopting IFRS 9 on the carrying amounts of financial assets at 1 January 2018 relates solely to the new impairment requirements, as described further below:

Except for the financial information captions listed in the table below, there have been no changes in the carrying amounts or classifications of assets and liabilities on application of IFRS 9 as at 1 January 2018:

	Original carrying amount USD	Remeasurement	New carrying amount USD
Trade receivables	2,64,71,309	(2,31,40,729)	33,30,580
Advances to dealers and a related party	44,36,423	(31,10,822)	13,25,601

b Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis

The new impairment model will apply to financial assets measured at amortized cost or FVOCI and contract assets, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39.

The financial assets at amortized cost consist of trade receivables, due from dealers and a related party. For all the financial assets the company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

The company has established a provision matrix that is based on the company's historical credit loss experience, adjusted forward-looking factors specific to the receivables and the economic environment.

The details of adjustments to the opening accumulated losses and other account balances are detailed below: (in USD)

	As at 31 December 2017 (as previously reported)	**Impact of re-measurement under IFRS 9**	**1 January 2018**
Impairment loss on:			
Trade receivables	37,431	2,31,40,729	2,31,78,160
Advances to dealers and a related party	21,91,613	31,10,822	53,02,435
	22,29,044	2,62,51,551	2,84,80,595

In the current year, financial assets that were credit impaired resulted in an increase in impairment loss (Refer notes 7 and 8).

c Derecognition

Financial assets

Financial liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The company also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in the statement of profit or loss.

d Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively, except as described below.

The company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in accumulated losses as at 1 January 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 - Revenue from Contracts with Customers established a comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related interpretations. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The adoption of this new standard has no material impact on the company's financial statements.

3 Summary of significant accounting policies

The accounting policies adopted are consistent with those of the previous year, except for new standards effective on 01 January 2018, in dealing with items that are considered material in relation to the financial statements are as follows:

3.1 *Property, plant and equipment*

Property, plant and equipment are stated at cost together with any related expenses of acquisition less accumulated depreciation and impairment if any. Depreciation is charged using the straight - line method whereby the cost of an asset is depreciated over its estimated useful lives as follows:

Furniture and office equipment - 2 to 5 years

Vehicles - 5 years

3.2 *Inventories*

Inventories are valued at lower of cost or net realizable value. Cost of inventories are determined using the first in first out method and comprises invoice value plus applicable landing charges. Net realizable value is based on estimated selling price less any further costs expected to be incurred up to disposal.

3.3 *Financial assets*

The policy applicable from 1 January 2018 (due to application of IFRS 9) is described in Note 2. The company's financial assets comprise financial assets measured at amortized cost, comprising trade and other receivables and cash and cash equivalents

Trade receivables

Trade receivables are stated at original invoice amount less provision for any uncollectible amounts or Expected Credit Losses (ECLs). The company applies a simplified approach in calculating ECLs. Therefore, the company doesn't track changes in credit risk, but instead recognizes a loss allowance based on Lifetime ECLs at each reporting date. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other current financial assets

Other current financial assets represent advance to dealers, advance to a related party, staff advance, refundable deposits and VAT receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balance in current accounts that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.4 *Financial liabilities*

The policy applicable from 1 January 2018 (due to application of IFRS 9) is described in Note 2. The company's financial liabilities comprise trade and other payables.

Trade and other payables

Liabilities are recognized for amounts to be paid in future for goods or services received, whether invoiced by the supplier or not.

3.5 *Value Added Tax*

Expenses and assets are recognized net of the amount of value added tax except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognized as part of the cost of acquisition of the assets or as part of the expense item, as applicable

- When receivables and payables are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3.6 *Revenue recognition*

The company recognizes revenue from sale of goods.
The company has applied IFRS 15 - Revenue from Contracts with Customer, which is effective 1 January 2018. The company recognizes revenue from contracts with customers based on a fivestep model as set out in IFRS 15:
Step 1: Identify the contract(s) with the customer
Step 2: Identify the performance obligation in the contract Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the company satisfies a performance obligation

Sale of goods

Revenue is measured at the fair value of consideration received or receivable net of value added tax (VAT). Revenue from sale of goods is recognized at the point in time when control on such goods is transferred to the customer, generally, when the goods are delivered and have been accepted by the customer and collectability of the related receivable is reasonably assured.

3.7 *Staff end of services gratuity*

The company provides end of service gratuity to its employees. The entitlement to this benefit is based upon the employees' basic salary and length of service. Staff end of service gratuity is accounted on cash basis.

3.8 *Foreign currency transactions*

Transactions in currencies other than US Dollars are converted into US Dollars at the rate of exchange ruling on the date of the transaction. Assets and liabilities expressed in currencies other than US Dollars are translated into US Dollars at the rate of exchange ruling at the date of statement of financial position.

Resulting exchange gains/losses are taken to the statement of profit or loss and other comprehensive income.

4 Significant judgment employed in applying accounting policies and key sources of estimation uncertainty

4.1 Significant judgment employed

The significant judgment made in applying accounting policies that has most significant effect on the amounts recognized in the financial statements pertains to impairment.

At each reporting date, management conducts an assessment of property, plant and equipment, and other non-financial assets to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken.

If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, impairment loss is recognized.

4.2 Key sources of estimation uncertainty

Key assumptions made concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Inventory provision

Management regularly undertakes a review of the company's inventory in order to assess the likely realization proceeds, taking into account purchase and replacement prices, age, likely obsolescence, the rate at which goods are being sold and the physical damage. Based on the assessment assumptions are made as to the level of provisioning required.

Provision for expected credit losses of trade receivables

The company recognizes a loss allowance for expected credit losses (ECL) on its trade receivables. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial assets. The company recognizes lifetime ECL for trade receivables, using the simplified approach.

The expected credit losses on these financial assets are estimated using provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the receivables, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

Provision of impairment of other receivables

For all other receivables, the company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the end of the reporting period or an actual default occurring.

FORBES LUX FZCO
Notes to the Financial Statements
for the year ended 31 December 2018

5. Property, Plant & equipment

	Furniture & office equipment US$	Vehicles US$	Total US$	Total INR
Cost				
As at 01.01.2018	7,915	8,169	16,084	7,64,378
Additions during the year	64	-	64	4,444
Disposal during the year	(6,295)	-	(6,295)	(4,37,121)
As at 31.12.2018	**1,684**	**8,169**	**9,853**	**3,31,702**
Depreciation				
As at 01.01.2018	7,679	6,596	14,275	7,03,889
Charge for the year	149	1,573	1,722	56,355
Relating to disposal	(6,295)		(6,295)	(4,37,121)
As at 31.12.2018	**1,533**	**8,169**	**9,702**	**3,23,123**
Net book value				
As at 31.12.2018	**151**	**-**	**151**	**8,579**
As at 31.12.2017	236	1,573	1,809	60,490

	Furniture & office equipment US$	Vehicles US$	Total US$	Total INR
Cost				
As at 01.01.2017	7,915	13,616	21,531	11,11,433
Additions during the year	-	-	-	
Disposal during the year	-	(5,447)	(5,447)	(3,47,055)
As at 31.12.2017	**7,915**	**8,169**	**16,084**	**7,64,378**
Depreciation				
As at 01.01.2017	7,594	10,409	18,003	9,39,900
Charge for the year	85	1,634	1,719	1,11,043
Relating to disposal	-	(5,447)	(5,447)	(3,47,055)
As at 31.12.2017	**7,679**	**6,596**	**14,275**	**7,03,889**
Net book value				
As at 31.12.2017	**236**	**1,573**	**1,809**	**60,490**
As at 31.12.2016	321	3,207	3,528	1,71,533

6 Inventories

	2018 US $	2018 INR	2017 US $	2017 INR
Goods for Resale	1,08,644	75,44,174	1,03,588	66,00,089
Provision for slow moving inventories	(23,546)	(16,35,020)	(23,546)	(15,00,229)
	85,098	**59,09,154**	**80,042**	**50,99,860**

Inventories lying at third party warehouse comprising water purifiers, filters & purifications devices, electrical & electronics appliances and related items are stated as per the items physically taken, valued and certified by the management.

7 Trade receivables

	2018 US $	2018 INR	2017 US $	2017 INR
Trade receivables ~	2,69,15,706	1,86,90,10,475	2,65,08,740	1,68,89,99,067
Provision for doubtful receivables (@)	(2,31,99,238)	(1,61,09,41,167)	(37,431)	(23,84,909)
	37,16,468	**25,80,69,308**	**2,64,71,309**	**1,68,66,14,159**

Includes USD 7,195,922 (previous year USD 6,982,741) due from overseas related parties on trade account dealings

The company's average credit period is 0 to 120 days for the local customers and in respect of overseas dealers and related parties, open ended credit period is granted. In the opinion of the management, provision of US$ 23,199,238 carried in the accounts against unimpaired overdue receivables of US$ 24,652,932 (excluding current year) outstanding for a period ranging from 2008 to 2017 is considered adequate.

(@) Movement in the provision for doubtful receivables was as under:

	2018 US $	2017 US $
Opening balance	37,431	30,211
Impact of adoption of IFRS 9	2,31,40,729	-
As at 1 January	**2,31,78,160**	**30,211**
Provision for the year	21,078	7,220
Closing balance	**2,31,99,238**	**37,431**

8 Advances and other receivables

	2018 US $	2018 INR	2017 US $	2017 INR
Advance to dealers	30,19,902	20,97,00,183	29,01,513	18,48,69,320
Advance to related party	37,26,523	25,87,67,521	37,26,523	23,74,34,668
	67,46,425	**46,84,67,704**	**66,28,036**	**42,23,03,988**
Provision for doubtful receivables @ #	(53,44,122)	(37,10,92,625)	(21,91,613)	(13,96,38,184)
	14,02,303	**9,73,75,079**	**44,36,423**	**28,26,65,804**
Value added tax receivable	1,552	1,07,770	-	-
Advance to suppliers	13,592	9,43,820	24,587	15,66,556
Staff Advance	-	-	14,092	8,97,869
Deposits	5,984	4,15,525	6,088	3,87,896
	14,23,431	**9,88,42,195**	**44,81,190**	**28,55,18,125**

#In the opinion of the management, provision of US $ 5,344,122 carried in the accounts against long outstanding receivables of US $ 6,628,036 is considered adequate.
@ Movement in the provision for doubtful receivables was as under:

	2018 US $	2017 US $
Opening balance	21,91,613	21,91,613
Impact of adoption of IFRS 9	31,10,822	-
As at 1 January	**53,02,435**	**21,91,613**
Provision for the year	41,687	-
Closing balance	**53,44,122**	**21,91,613**

9. Cash and bank balances

This represents balance in current accounts with a bank.

	2018 US $	2018 INR	2017 US $	2017 INR
Cash on hand	1,362	94,576.46	1,362	86,779.56
Bank balances in:				
Current accounts	8,50,344	5,90,47,377.15	3,00,591	1,91,52,095.45
	8,51,706	**5,91,41,954**	**3,01,953**	**1,92,38,875**

10. Share capital

	2018 US $	2018 INR	2017 US $	2017 INR
Authorised, issued and paid up:				
512 shares of AED 100,000 each				
(USD 1 converted @ AED 3.667)	**2,89,39,736**		**1,39,63,562**	
Issued to:				
Euro Forbes Limited (opening)	1,38,81,917	88,04,73,576	1,38,81,917	88,04,73,576
Issues to Euro Forbes Limited	1,49,76,174	1,05,65,21,554	-	-
VDB Investment GmbH, Switzerland	81,645	44,32,172	81,645	44,32,172
	2,89,39,736	**1,94,14,27,302**	**1,39,63,562**	**88,49,05,748**

During the year, VDB Investment GMBH has sold their shares (3 shares of AED 100,000 each) to Forbes Lux International AG

Since the date of Financial statements, the authorized, issued and paid up share capital has been increased to US$ 44,452,051 (representing 1,632 shares of AED 100,000 each)

11. Shareholder's loan account

This represents loan together with interest accrued thereon from Euro Forbes Limited, one of the shareholders of the company. This loan is unsecured, which carries interest charge of 6-7.5% and is not subject to any fixed term of repayment.

Movements in the shareholders loan and interest payable accounts were as follows

	2018 US $	2018 INR	2017 US $	2017 INR
Sharegolders' loan		-		-
Opening balance	2,29,30,600	1,59,22,87,105.64	2,23,53,600	1,42,42,55,153.28
Funds received/(repaid) - net	(1,01,30,600)	(70,34,62,785.64)	5,77,000	3,67,63,439.60
Closing Balance	**1,28,00,000**	**88,88,24,320.00**	**2,29,30,600**	**1,46,10,18,592.88**
Interest Payable				
Opening balance	45,68,298	29,10,68,193.41	31,88,501	20,31,54,703.51
Funds received/(repaid) - net	11,63,264	8,07,76,354.20	13,79,797	8,79,13,489.90
Repaid during the year	(45,68,298)	(31,72,19,872.14)	-	-
Closing Balance	**11,63,264**	**8,07,76,354.20**	**45,68,298**	**29,10,68,193.41**
	1,39,63,264	**96,96,00,674.20**	**2,74,98,898**	**1,75,20,86,786.29**

Since the date of financial position, the loan amount along with accrued interest has been repaid in full. Hence, the shareholder's loan account has been reclassified as current liability.

12. Trade and other payables

	2018 US $	2018 INR	2017 US $	2017 INR
Trade payables ~	15,50,870	10,76,91,482	8,65,088	5,51,18,909
Advance from customers	36,600	25,41,482	9,728	6,19,818
Accruals	10,262	7,12,587	38,713	24,66,591
	15,97,732	**11,09,45,551**	**9,13,529**	**5,82,05,318**

~Includes USD 1,387,393 (Equivalent to INR 4,48,16,070) [previous year USD 854,043 (Equivalent to INR 98,059,319)] due to related parties on trade account.

The average credit period on purchase of goods ranges between 0 to 120 days and in respect of related parties open ended credit facility is availed. The company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

13. Cost of Sales

	2018 US $	2018 INR	2017 US $	2017 INR
Opening inventories	80,042	50,99,860	1,20,451	81,67,541
Purchases during the year (including direct expenses)	21,75,279	14,94,93,439	18,51,419	11,95,97,131
Closing inventories	(85,098)	(59,09,154)	(80,042)	(50,99,860)
	21,70,223	**14,86,84,145**	**18,91,828**	**12,26,64,812**

14. Expenses

	2018 US $	2018 INR	2017 US $	2017 INR
Staff salaries	66,419	45,64,566	86,767	56,04,936
Office Rent	21,448	14,73,988	19,496	12,59,394
Warehousing & logistics expense	69,120	47,50,189	34,980	22,59,622
Other administrative expenses (net)	35,322	24,27,462	29,143	18,82,566
Exchange loss	85,579	58,81,314	3,675	2,37,396
Selling & distribution expenses	1,65,264	1,13,57,570	1,59,973	1,03,33,864
Bad Debts	459	31,544	-	-
Provision for doubtful debts	-	-	-	0
Depreciation	1,722	56,355	1,719	1,11,043
	4,45,333	**3,05,42,989**	**3,35,753**	**2,16,88,821**
Provision for doubtful debts	62,765	43,13,449	7,220	4,66,394

15. Finance Charges

	2018 US $	2018 INR	2017 US $	2017 INR
Interest to related parties	11,63,264	7,99,43,922	13,79,797	8,91,31,506
Bank Charges	9,868	6,78,166	12,917	8,34,407
	11,73,132	**8,06,22,089**	**13,92,714**	**8,99,65,912**

16. Related party transactions and balances

The company in the normal course of business enters into transactions with other business enterprises that fall within the definition of related party as contained in the International Accounting Standard - 24.

Related parties comprise the parent company of a shareholder, shareholder companies, companies under common ownership and/or common management control and key management personnel as under:

Shareholders:
Euro Forbes Limited, Dubai
Forbes Lux International AG, Switzerland

Ultimate Parent company of a shareholder:
Eureka Forbes Limited, India

Entities under common control
Aquamall Water Solutions Ltd.
Lux International AG, Switzerland
Lux Hungaria Kereskedelmi Kft, Hungary
Euro P2P Direct Thailand Co. Ltd., Thailand
Lux International Service Logistics GmBH, Germany
LIAG Trading and Investment Limited, Dubai

Key officer:
Mr. Sunil Dhondiram Uphale

17. Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally other financial assets, bank current accounts, trade and other receivables and amount due from related parties and dealers. The company bank current accounts are placed with high credit quality financial institution.

The Company has derived 78% of its sales (previous year 74%). As at 31 December 2018, the company is exposed to credit risk from trade and other receivables and advance to related parties and dealers. The company's maximum exposure to credit risk from trade receivables situated outside the U.A.E. amounts to USD 3,605,602 (previous year USD 26,307,437)(net of provision) due from 3 customers and USD 1,402,303 (previous year US $ 4,436,423) due from the dealers and a related party. There are no significant concentrations of credit risk to receivables outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the parent company of one of the shareholder, which has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements.

Market risk

Market risk is a risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans and advances from and to related parties are at fixed rate of interest.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. There is no significant currency risk as substantially all financial assets and financial liabilities are denominated in US Dollars or UAE Dirhams, which is fixed to US Dollars rate.

	2018 US $	**2018 INR**	**2017 US $**	**2017 INR**
Foreign Currency Financial Assets				
Bank Balance				
Euro Account	1,735	1,20,477	18,519	11,79,934
Foreign Currency Financial Liability				
Euro	1,52,145	1,05,64,858	10,301	6,56,326

18. Financial instruments: Fair value

The fair values of the company's financial assets, comprising of trade and other receivables, cash and bank balances and due from related parties and financial liabilities, comprising trade and other payables and due to related parties, approximate to their carrying values.

19. Contingent liability and capital commitments

There are no contingent liabilities of significant in nature outstanding and capital commitments at the date of statement of financial position.

20. Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year.

21. Approval of the financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 4th May 2019

16. Related parties transactions and balances

Related parties comprise the parent company, fellow subsidiaries, directors, companies under common ownership and/or common management control and associates as under:

Shareholders :

- Euro Forbes Limited, Dubai.
- VDB Investment GmbH

Parent company of a shareholder:

- Eureka Forbes Ltd, India

Entities under common control:

- Lux International AG. Switzerland
- Aquamall Water Solutions Ltd., India
- Euro Forbes International Pte Ltd, Singapore
- Euro P2P Direct Thailand Co. Ltd., Thailand

Waterwings Equipments Pvt. Ltd., India

Key officers:

- Mr. Sunil D. Uphale

At the date of statement of financial position balances and significant transactions during the yearwith related parties were as follows:

		Shareholders		***Parent company of one of the Shareholders***		***Entities under common control***		***Total***	
		USD Dr/(Cr)	**INR**	***USD Dr/(Cr)***	**INR**	***USD Dr/(Cr)***	**INR**	***USD Dr/(Cr)***	**INR**
Balances:									
Shareholder's loan account	2018	(1,39,63,264)	(96,96,00,674)					**(1,39,63,264)**	**(96,96,00,674)**
	2017	(2,74,98,898)	(1,75,20,86,786)					**(2,74,98,898)**	**(1,75,20,86,786)**
Trade receivables	2018			14,064	9,76,596	71,81,858	49,87,03,910	**71,95,922**	**49,96,80,506**
	2017			14,064	8,96,085	69,68,677	44,40,07,861	**69,82,741**	**44,49,03,946**
Trade payables	2018			(13,68,036)	(9,49,95,599)			**(13,68,036)**	**(9,49,95,599)**
	2017			(8,54,043)	(5,44,15,179)			**(8,54,043)**	**(5,44,15,179)**
Advances	2018					37,26,523	25,87,67,521	**37,26,523**	**25,87,67,521**
	2017					37,26,523	23,74,34,668	**37,26,523**	**23,74,34,668**
Transactions:									**-**
Purchases	2018			11,66,428	8,01,61,365	1,17,783	80,94,495	**12,84,211**	**8,82,55,860**
	2017			12,61,588	8,14,95,494	7,740	4,99,985	**12,69,328**	**8,19,95,479**
Sales	2018					(21,71,618)	(14,92,41,841)	**(21,71,618)**	**(14,92,41,841)**
	2017					(16,75,333)	(10,82,22,407)	**(16,75,333)**	**(10,82,22,407)**
Commission expense	2018							**-**	**-**
	2017							**-**	**-**
Interest expense	2018	11,63,264	7,99,43,922					**11,63,264**	**7,99,43,922**
	2017	13,79,797	8,91,31,506					**13,79,797**	**8,91,31,506**
Provision for Doubtful Receivables	2018					38,01,969	26,12,85,757	**38,01,969**	**26,12,85,757**
	2017					-	-	**-**	**-**
Selling and distribution expense	2018					36,603	25,15,497	**36,603**	**25,15,497**
	2017					34,616	22,36,109	**34,616**	**22,36,109**

Transactions with related parties are as carried out at the terms agreed between the parties.
Transactions with related parties represent unsecured and interest free and/or bearing funds provided or received to meet with working capital requirements.

17 Financial instruments: Credit, liquidity and market risk exposures

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial assets, which potentially expose the company to concentrations of credit risk, comprise principally other financial assets, bank balance, trade and other receivables and amount due from related parties and dealers. The company's bank balance in current accounts is placed with a high credit quality financial institution.

The company has derived 78% of its sales (previous year 74%) from two related parties. As at 31 December 2018, the company is exposed to credit risk from trade and other receivables and advance to related parties and dealers. The company's maximum exposure to credit risk from trade receivables situated outside the U.A.E. amounts to USD 3,605,602 (previous year USD 26,307,437) (net of provision) due from 3 customers and USD 1,402,303 (previous year USD 4,436,423) (net of provision) due from the dealers and a related party. There are no other significant concentrations of credit risk to receivables outside the industry in which the company operates.

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet financial obligations as they fall due. Ultimate responsibility for liquidity risk management rests with the ultimate parent company, which has resolved to inject funds by way of share capital for the management of short, medium and long-term funding and liquidity requirements.

Market risk

Market risk is the risk that changes in market prices, such as interest rate risk and currency risk, will affect the company's income or the value of its holdings of financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Loans from a parent shareholder company is at fixed rate of interest.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Except for the following, there are no significant currency risks as substantially all financial assets and financial liabilities are denominated in US Dollars or U.A.E Dirhams, which is fixed to US Dollar rate.

	2018 Equivalent USD	**2017 Equivalent USD**
Foreign currency financial asset:		
Bank balance		
Euro	1,735.00	18,519.00
Foreign currency financial liability:		
Trade payables		
Euro	1,52,145.00	10,310.00

18 Capital management

The capital structure of the company comprises net debt (interest bearing borrowings offset by bank balances and cash) and equity comprising issued and paid up capital. In order to maintain capital adequacy, the parent shareholder company has decided to inject further funds by way of share capital in the company.

19 Contingent liabilities and capital commitments

There are no contingent liabilities and capital commitments outstanding at the date of statement of financial position.

20 Comparative figures

Previous year's figures have been regrouped / reclassified wherever necessary to conform to the presentation adopted in the current year. Such reclassification do not affect the previously reported profit, net assets or equity of the company.

21 Approval of the financial statements

The financial statements were approved by the Board of Directors and authorized for issue 4 May 2019.

FORBES LUX INTERNATIONAL AG

(a Subsidiary of Eureka Forbes Limited)

Financial Statements

For the year ended December 31, 2018

Report of the Auditor to the Board of Directors on the Financial Statements of Forbes Lux International AG, Küsnacht

As auditor, we have been engaged to audit the accompanying financial statements of Forbes Lux International AG, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes for the year ended 31 December, 2018.

Board of Directors' Responsibility

The board of directors is responsible for the preparation of the financial statements in accordance with core FER. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The board of directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the existence and effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December, 2018 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with core FER.

Emphasis of matter

We draw attention to Note 12 in the financial statements describing the liquidity difficulties the company faced during the financial year ended December 31, 2018. This fact together with other matters disclosed in Note 12 indicate the existence of a material uncertainty that may cast significant doubt about Forbes Lux International AG ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Roman Wenk
Licensed Audit Expert

Larissa Eckstein
Licensed Audit Expert

Zurich, 14 March 2019

Enclosure:
- Financial statements (balance sheet, income statement, statement of changes in equity, cash flow statement and notes)

FORBES LUX INTERNATIONAL AG,Baar
BALANCE SHEET AS OF 31st DECEMBER 2018

	2018 CHF	2018 INR	2017 CHF	2017 INR
ASSETS				
Current assets				
Cash and cash equivalents	51,253	36,16,089	12,520	8,17,040
Other Current Receivables	20,69,661	14,60,22,241	20,74,711	13,53,93,150
Prepaid expenses and accrued income		-		-
Total Current Assets	**21,20,914**	**14,96,38,330**	**20,87,231**	**13,62,10,190**
Non-Current assets				
Investment	7,81,12,096	4,56,82,26,011	7,81,12,091	4,56,82,25,719
Loans	25,52,240	18,00,69,975	21,63,168	14,11,65,748
Total Non-Current assets	**8,06,64,336**	**4,74,82,95,986**	**8,02,75,259**	**4,70,93,91,467**
TOTAL ASSETS	**8,27,85,250**	**4,89,79,34,316**	**8,23,62,490**	**4,84,56,01,657**
EQUITY AND LIABILITIES				
Liabilities				
Other Short-term Payables	90,761	64,03,524	94,023	61,35,828
Accrued Expenses	1,52,989	1,07,93,940	44,07,798	28,76,47,608
Current Interest Bearing Loans	19,67,914	13,88,43,614	-	-
Total current Liabilities	**22,11,664**	**15,60,41,078**	**45,01,821**	**29,37,83,436**
Deferred Tax Liabilities	1,69,810	1,19,80,724	37,156	24,24,756
Loans				
-Shareholders	3,30,11,987	2,32,91,17,827	2,79,98,141	1,82,71,25,084
-Third parties	39,35,828	27,76,87,228	58,56,846	38,22,10,742
Provision for unrealized exchange gains				
Total Non-Current liabilities	**3,71,17,625**	**2,61,87,85,779**	**3,38,92,143**	**2,21,17,60,582**
Total Liabilities	**3,93,29,289**	**2,77,48,26,857**	**3,83,93,964**	**2,50,55,44,018**
Shareholder's equity				
Share Capital	3,68,00,000	2,46,97,58,055	3,68,00,000	2,46,97,58,055
Participation Certificates Share Capital	3,42,00,000	2,21,71,84,585	3,42,00,000	2,21,71,84,585
Capital contribution reserves	11,20,820	7,71,93,957	11,20,820	7,71,93,957
Accumulated Losses				
Balance beginning of the year	(2,81,52,295)	(1,86,68,35,999)	(57,98,361)	(38,89,90,630)
Opening Adjustment (As per Working)	-		-	
Loss for the period	(5,12,564)	(3,60,07,138)	(2,23,53,934)	(1,47,78,45,369)
Total accumulated losses	(2,86,64,859)	(1,90,28,43,137)	(2,81,52,295)	(1,86,68,35,999)
Foreign Currency Translation Reserve		**(73,81,86,001)**		**(55,72,42,959)**
Total shareholders' equity	**4,34,55,961**	**2,12,31,07,459**	**4,39,68,525**	**2,34,00,57,639**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**8,27,85,250**	**4,89,79,34,316**	**8,23,62,490**	**4,84,56,01,657**

FORBES LUX INTERNATIONAL AG,Baar
INCOME STATEMENT 2018

	2018 CHF	2018 INR	2017 CHF	2017 INR
OPERATING REVENUES				
Dividend Income	-	-	-	-
Operating Revenues	-	-	-	-
OPERATING EXPENSES				
Office and administration expenses	(70)	(4,917)	(4,602)	(3,04,244)
Events,meetings and travel expenses	(3,593)	(2,52,405)	-	-
Legal and consulting expenses	(51,899)	(36,45,859)	(53,616)	(35,44,618)
Service expenses-Group	(36,000)	(25,28,969)	(36,000)	(23,80,003)
Total operating expenses	**(91,562)**	**(64,32,150)**	**(94,218)**	**(62,28,865)**
OPERATING RESULT	**(91,562)**	**(64,32,150)**	**(94,218)**	**(62,28,865)**
NON-OPERATING INCOME/(EXPENSES)				
Financial income	12,73,178	8,94,39,640	8,75,651	5,78,90,338
Impairment of financial assets	-	-	(2,00,00,000)	(1,32,22,24,000)
Financial expenses		-		-
-Shareholder	(11,43,194)	(8,03,08,343)	(13,19,197)	(8,72,13,664)
-Group Companies	(3,66,020)	(2,57,12,585)	(3,02,959)	(2,00,28,983)
-Third Parties		-	(19,14,160)	(12,65,47,415)
Non-operating Income/(Expenses)	413	29,013	-	-
FX Differences		-		-
Total non-operating income/(expenses)	**(2,35,623)**	**(1,65,52,275)**	**(2,26,60,665)**	**(1,49,81,23,724)**
NET LOSS BEFORE TAXES	**(3,27,185)**	**(2,29,84,425)**	**(2,27,54,883)**	**(1,50,43,52,589)**
Taxes	(1,85,379)	(1,30,22,713)	4,00,949	2,65,07,220
NET LOSS FOR THE YEAR	**(5,12,564)**	**(3,60,07,138)**	**(2,23,53,934)**	**(1,47,78,45,369)**

FORBES LUX INTERNATIONAL AG, Baar

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	CHF	**INR**	**CHF**	**INR**
CASH FLOWS FROM OPERATING ACTIVITIES				
Result before tax	(327)	(2,29,84,425)	(22,755)	(1,50,43,52,589)
Adjustments for:				
Depreciation, amortisation, impairment	-	-	20,000	1,32,22,24,000
Interest income	(94)	(65,81,851)	(876)	(5,78,90,338)
Interest expense	1,508	10,60,20,893	1,621	10,72,42,614
Foreign currency (gains) / losses	(2,195)	(15,41,96,829)	258	1,70,56,690
Other Non Cash Income				
Operating cash flow before changes in operating working capital	**(1,109)**	**(7,77,42,212)**	**(1,752)**	**(11,57,19,623)**
(Increase) Decrease in other receivables and prepaid expenses	(481)	(3,37,89,829)	(1,946)	(12,82,35,990)
Increase (Decrease) in other current liabilities, accrued liabilities	1,094	7,68,52,543	1,418	8,86,99,026
Cash generated from / (used in) operations	**(496)**	**(3,46,79,499)**	**(2,280)**	**(15,52,56,587)**
Interest paid	(332)	(2,33,22,710)	(303)	(2,00,31,694)
Interest received	-	-	12	7,93,334
Income taxes paid	(7)	(4,91,744)	(53)	(35,03,894)
Net cash flow (used in) operating activities	**(835)**	**(5,84,93,952)**	**(2,624)**	**(17,79,98,840)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Increase in other non-current assets	-	-	(1,353)	(8,82,95,156)
Net cash flow (used for) / from investing activities	**-**	**-**	**(1,353)**	**(8,82,95,156)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Shareholder loans received	873	6,15,93,380	3,365	21,95,95,862
Cash outflow from increase in investments	-	-	12,000	78,31,05,600
Proceeds from repayment of loans from related parties	-	-	(11,410)	(74,46,02,908)
Related parties loans granted				
Loans paid to Lux International AG				
Loans received from Lux International AG				
New contribution reserves				
Net cash flow used in financing activities	**873**	**6,15,93,380**	**3,955**	**25,80,98,554**
Net decrease / increase in cash and cash equivalents	**38**	**30,99,428**	**(22)**	**(81,95,443)**
Cash and cash equivalents beginning of year	13	8,17,072	35	23,41,250
Foreign Currency Translation reserve		27,65,786		66,71,265
Net cash and cash equivalents end of year	**51**	**35,82,858**	**13**	**8,17,072**
Cash and cash equivalents consist of:				
Cash and cash equivalents as per the balance sheet	**51**	**35,82,858**	**13**	**8,17,072**

Statement of Changes in Equity

		Share capital	Participation Share capital	Capital Contribution Reserve	Retained Earnings	Result Current period	Total CHF	INR
Equity beginning of the year	**01.01.2017**	3,68,00,000	3,42,00,000	11,20,820	(57,98,361)	-	6,63,22,459	4,37,51,45,967
Capital Increase							-	-
Capital Contribution Reserve							-	-
Retained Earnings							-	-
Profit of the year						(2,23,53,934)	(2,23,53,934)	(1,47,78,45,369)
Dividends								
Equity end of the year	**31.12.2017**	3,68,00,000	3,42,00,000	11,20,820	(57,98,361)	(2,23,53,934)	4,39,68,526	2,89,73,00,598
Equity beginning of the year	**01.01.2018**	3,68,00,000	3,42,00,000	11,20,820	(2,81,52,295)	-	4,39,68,526	2,89,73,00,598
Capital Increase							-	-
Capital Contribution Reserve							-	-
Retained Earnings							-	-
Profit of the year						(5,12,564)	(5,12,564)	(3,60,07,138)
Dividends								
Equity end of the year	**31.12.2018**	3,68,00,000	3,42,00,000	11,20,820	(2,81,52,295)	(5,12,564)	4,34,55,962	2,86,12,93,460

Share capital consists of a total of 36,800 registered shares, nominated to CHF 1,000 per share and of 34,200 registered participation certificates, nominated to CHF 1,000 per certificate.

FORBES LUX INTERNATIONAL AG,Baar
BALANCE SHEET AS OF 31st DECEMBER 2018

1 Principles

These financial statements of Forbes Lux International AG, Baar (Switzerland) were prepared in accordance with the framework and selected central recommendation of Swiss GAAP FER (Core FER) as the company qualifies for a small organisation. On this basis, internal classification, valuation and reporting principles have been defined and applied uniformly. The financial statements are based on results with cut-off date as of 31 December and constitute a true and fair view of the financial position, earnings and cash flows.

Accounting policies and valuation principles

1.1. Revenue
The income of the company consists of income from dividends.

1.2. Non-current interest-bearing liabilities
Interest-bearing liabilities are recognized in the balance sheet at nominal value.

2 Other current receivables

	2018		2017	
	CHF	INR	CHF	INR
Current receivables from Lux International AG - company in which the entity holds an investment	20,65,120	14,57,01,857	16,82,199	10,97,78,288
Receivables from Euro Forbes Limited, Dubai - other group company	-	-	3,91,148	2,55,25,849
VAT recoverable CHF	4,541	3,20,384	1,364	89,013
Total	20,69,661	14,60,22,241	20,74,711	13,53,93,150

3 Long-term loans

	2018		2017	
	CHF	INR	CHF	INR
Loan to Euro Forbes Limited, Dubai - other group company	20,82,064	14,68,97,319	21,63,168	14,11,65,748
Receivables from Euro Forbes Limited, Dubai - other group company	4,70,176	3,31,72,656	-	-
Total long-term loans	**25,52,240**	**18,00,69,975**	**21,63,168**	**14,11,65,748**

4 Current liabilities

	2018		2017	
	CHF	INR	CHF	INR
Account payable 3rd parties	9,516	6,71,389	55,144	35,98,631
Account payable Lux International AG	81,245	57,32,135	38,880	25,37,262
Provision for Taxes	46,000	32,45,470	-	-
Loan Axis Bank - 3rd party	19,67,914	13,88,43,614	-	-
Accruals loan interest to Aquamall WS Ltd.	-	-	43,25,641	28,22,86,141
Accruals 3rd parties	1,06,989	75,48,470	82,158	53,61,532
	22,11,664	15,60,41,078	45,01,823	29,37,83,566

5 Taxes

Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax
Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen. Tax Rate: 21 %

6 Long term loans

The loan from Eureka Forbes is granted at an interest of 4% plus + 6 month EUR-Libor or 5%, Axis Bank at 3.75% + 6 month USD-Libor. The duration of the loans from Axis Bank in the amount of USD 6,000,000,00 (CHF 5,903,742). and from Aquamall Water Solutions Ltd. in the amount of EUR 24,694,770.00 (CHF 27,998,140.67) are 5 years or more.

	2018		2017	
	CHF	**INR**	**CHF**	**INR**
Loan Eureka Forbes Ltd. - shareholder	2,77,92,482	1,96,08,62,437	2,79,98,141	1,82,71,25,084
Accrued loan interest Eureka Forbes Ltd. - shareholder	52,19,505	36,82,55,390	-	-
Loan Axis Bank - 3rd party	39,35,828	25,68,47,412	58,56,846	38,22,10,742
Total	**3,69,47,815**	**2,58,59,65,239**	**3,38,54,987**	**2,20,93,35,826**

7 Management assumptions and signficant estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

8 Financial Income

	2018		2017	
	CHF	**INR**	**CHF**	**INR**
Interest income from Related Parties	93,693	65,81,851	8,75,651	5,78,90,338
Foreign Exchange Gains	11,79,485	8,28,57,789	-	-
	12,73,178	**8,94,39,640**	**8,75,651**	**5,78,90,338**

Financial Expenses

	2018		2017	
	CHF	**INR**	**CHF**	**INR**
Interest expense to Aquamall WS Ltd.	(11,43,193)	(8,03,08,308)	(13,19,196)	(8,72,13,631)
Arrangement fee Axis Bank	(3,66,020)	(2,57,12,585)	(3,02,959)	(2,00,28,983)
Interest expense 3rd parties (UBS, HSBC, CS)	-	-	(19,14,160)	(12,65,47,415)
	(15,09,214)	**(10,60,20,893)**	**(35,36,315)**	**(23,37,90,029)**

9 Tax Expenses

	2018		2017	
	CHF	**INR**	**CHF**	**INR**
Income Tax	52,725	37,03,885	53,089	35,09,777
Deferred Tax	1,32,654	93,18,827	(4,54,038)	(3,00,16,997)
	1,85,379	**1,30,22,712**	**(4,00,949)**	**(2,65,07,220)**

10 Investments

Company and Objective	Share Capital (local currency)	31.12.2018 Share in Capital and voting rights in %	31.12.2018 Book Values	31.12.2017 Quota	31.12.2017 Book Values CHF
Lux International AG	1,95,00,000	100%	7,81,12,091	100%	7,81,12,091
Holding Company, Direct sales industry					
Forbes Lux FZCO (AED)	5,12,00,000	1%	5	0%	-
Total Book Value					7,81,12,091

Based on the evaluation of the shareholding in Lux International AG ("Impairment Test") as of 31 December 2017, the Board of Directors has adjusted value of this participation by CHF 20.0 mn. The impairment test was concluded based on the DCF method ("Discounted Cash Flow"), including financial assets and financial liabilities as of the Balance date.

Indirect Participation by Forbes Lux International AG

Company		Share Capital		Share in Capital and Voting rights in %	
		31-12-2018	31-12-2017	31-12-2018	31-12-2017
Lux (Schweiz) AG	**Switzerland**	CHF 1,00,000	CHF 1,00,000	100%	100%
Direct Sales Company					
Lux (Deutschland) GmbH	**Germany**	EUR 71,53,000	EUR 71,53,000	100%	100%
Direct Sales Company					
Forbes International AG* **	**Switzerland**	-	CHF 10,00,000	0%	100%
(former Forbes Lux Group AG) Holding Company					
AMC Cookware PTE Ltd.	**South Africa**	ZAR 1,00,000	ZAR 1,00,000	50%	50%
Direct Sales Company & Local production					
Lux Italia s.r.l	**Italy**	EUR 1,10,000	EUR 1,10,000	100%	100%
Direct Sales Company					
LIAG Trading & Investments Limited	**UAE**	AED 100,000	AED 100,000	100%	100%
Trading Company					
Lux Norge AS	**Norway**	NOK 19,000,000	NOK 19,000,000	100%	100%
Direct Sales Company					
Lux Professional International GmBH* **	**Switzerland**	-	CHF 20,000	0%	100%
(Former Lux Aqua GmBH) Holding Company					
Lux Service GmbH	**Germany**	EUR 25'000	EUR 25'000	100%	100%
Logistics and services Company					
Lux Oesterreich GmbH	**Austria**	EU 500'000	EU 500'000	100%	100%
Direct Sales Company					
Lux Hungary Kft.	**Hungary**	HUF 30'000'000	HUF 30'000'000	100%	100%
Direct Sales Company					
Lux Aqua Hungaria Kft **	**Hungary**	-	HUF 3'000'000	0%	100%
B2B Water Business Company					
Lux del Paraguay S.A.	**Paraguay**	PYG 5'000'000'000	PYG 5'000'000'000	50%	50%
Direct Sales Company					
Lux Aqua Czech s.r.o **	**Czech Republic**	-	CZK 1'000'000	0%	100%
Rental Company					
Lux Aqua Paraguay SA	**Paraguay**	PYG 100'000'000	PYG 100'000'000	90%	100%
Rental Company					
Lux International Services Kft** **	**Hungary**	-	HUF 15,000,000	0%	100%
Corporate Service Company					

** shares sold as of 31st December 2018

*** merged with other Group companies as of 31st December 2018

**** liquidated in 2018.

11 Collateral provided for liabilities of third parties

The company has pledged shares and participations in it's subsidiary as a collateral for the subsidiarie's external loan agreement. The carrying amont of the pledged investment as at 31 December 2018 is equal to the amount of CHF 78,112,096.57.

12 Financial Difficulties

Forbes Lux International Ltd and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during the financial year ended 31 December 2017. 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 are taking necessary steps to revive and stabilize the business of Lux Group. Further, the ultimate parent company, EFL, issued a financial support letter dated 17 December 2018, that they undertake financial support to the extend needed to keep 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 30 June 2020.

If Lux Group is not able to continue as a going concern, assets may have to be written down and provisions set up and fixed assets and non-current liabilities reclassified as current. The impact of these adjustments could be material and the necessary provisions would have to be followed by the Board of Directors.

13 Subsequent Events

There are no events after the balance sheet date to report that would have a significant impact on these consolidated financial statements.

FORBES TECHNOSYS LIMITED

(a wholly owned Subsidiary Company)

Financial Statements

For the year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT
To the Members of Forbes Technosys Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Forbes Technosys Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, 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 ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that in our professional judgement were of most significance in our audit of the financial statements of the current period. Those matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

a) **Going Concern Assessment**

Description of Key Audit Matter:
The Company had accumulated losses of Rs.8,244.89 lakhs as on March 31, 2019 and its current liabilities exceeded its current assets by Rs.4,937.76 lakhs as on that date. These conditions indicate requirement of assessment of the Company's ability to continue as a going concern.

The Company's financial statements have been prepared on a going concern basis on the reporting date. The management's statement in respect of going concern assessment is set out in Note 34 of the financial statements.

Our response:

- We evaluated the appropriateness of management's use of going concern basis of accounting in the preparation of financial statements in accordance with Standard on Auditing issued by ICAI in this regard.

- We evaluated the management's plans for future actions in relation to its going concern assessment, to assess whether the outcome of those plans is likely to improve the situation and whether management's plans are feasible in the circumstances.

- We assessed the possible mitigating actions identified by management in the event that actual cash flows are below forecast.

- We assessed the prospects of refinance or renewal or repayment of fixed term borrowings approaching maturity in next 12 months based on past experience of the Company and corporate guarantees issued by the holding company.

- We discussed and obtained a written letter from the holding company indicating its intention and ability to support the Company.

b) **Capitalisation of internally generated intangible assets (including assets under development) and their impairment testing**

Description of Key Audit Matter:
As on March 31, 2019, the carrying amounts of internally generated intangible assets recognised and intangible assets under development were Rs.3,602.31 lakhs and Rs.8,324.76 lakhs respectively, which together represent 49.83% of the total assets of the Company.

Recognition and impairment testing of intangible assets requires the Company to assess the probability of expected future economic benefits using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

The Company uses judgement to assess the degree of certainty attached to the flow of future economic benefits that are attributable to the use of the asset on the basis of the evidence available at the time of initial recognition, giving greater weight to external evidence.

Refer note 2.7, note 2.8, note 4A, 4B and subheading (b) and (c) under non-current assets on balance sheet of the financial statements for accounting policies and carrying amounts of the said assets and impairment testing.

Our response:

- We evaluated the appropriateness of management's identification of the intangible asset and that the recognition process meets the requirements of Ind AS 38 'Intangible Assets'.

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- We held discussions with technical team overseeing the development process to understand the feasibility of the assets under development and other resources currently available as well as resources required to complete the assets.

- We reviewed the process of identifying, measurement and allocation of costs that were directly attributable to the assets under development.

- We used a combination of test of controls and substantive procedures on a test check basis based on selected samples of costs being incurred and capitalised under assets under development.

- We reviewed the impairment testing carried out by the Company while verifying the carrying amount of the intangible assets under development.

c) First time adoption of Ind AS 115 "Revenue from Contracts with Customers"

Description of Key Audit Matter:
The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period.

Refer note 2.3 and note 18 of the financial statements for accounting policies for revenue recognition and revenue recognised during year under various heads.

Our response:

- Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing on test check basis based on selected samples of contracts with customers.

- We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.

- We selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control and substantive testing, relating to identification of the distinct performance obligations and determination of transaction price.

- We selected sample documents relating to delivery of goods and documentation of performance of service, including customer acceptances to verify the transfer of control (either 'point in time' or 'over time') for revenue recognition.

- We considered the terms of the contracts to determine the transaction price to verify the transaction price used to compute revenue.

- In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts from the time recording and budgeting systems.

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Other Matter

The financial statements of the Company for the year ended March 31, 2018, were audited by other auditors who expressed an unmodified audit opinion in their report dated May 03, 2018.

Information other than the financial statements and auditor's report thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal financial controls 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 system 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 Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over Financial Reporting.

g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16), as amended:

In our opinion and to the best of our knowledge and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – refer Note 31 of the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 06, 2019

Annexure - A to the Independent Auditors' Report

(Referred to under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Forbes Technosys Limited of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) The Company does not have ownership of any immovable property. Accordingly, reporting under paragraph (iii) (c) of the Order is not applicable.

(ii) The Company's inventories, except the inventories lying at third party location for job work, were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted loans, secured or unsecured to corporate, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made Investments or given Guarantees in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Accordingly, reporting under paragraph (iv) of the Order is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub section (1) of section 148 of the Companies Act, 2013, and are of the opinion that, *prima-facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess have not been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.

However, in case of depositing undisputed Goods and Service Tax, there have been serious delays in a large number of cases.

There were no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, value added tax, customs duty, goods and service tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than 6 months from the date they became payable.

(b) Details of dues of sales tax, service tax, duty of excise and value added tax that have not been deposited as at March 31, 2019 by the Company on account of disputes:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in lakhs)*
Central Excise Act, 1944	Excise duty, interest and penalty	Commissioner of Central Excise (Appeals)	February, 2009 to December, 2009	7.83
Central Excise Act, 1944	Excise duty, interest and penalty	Commissioner of Central Excise (Appeals)	February, 2010 to October, 2010	1.34
Finance Act, 1994	Service tax penalty	Additional Commissioner (service tax)	2007 to 2012	15.67
Central Sales Tax Act, 1956	Sales tax	Deputy Commissioner (sales tax)	2011-12	131.45
Central Sales Tax Act, 1956	Sales tax	Deputy Commissioner (sales tax)	2013-14	110.56
Central Sales Tax Act, 1956	Sales tax	Deputy Commissioner (sales tax)	2012-13	73.34
Central Sales Tax Act, 1956	Sales tax and interest	Assessing Officer	2014-15	99.48

*Unpaid amounts are net of amount deposited under protest.

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(viii) Based on our audit and according to the information and explanations given by the management, there was a delay of 3 days, in one instance, in repayment of loan amounting to Rs. 7.78 lakhs to a bank during the year. No dues were in arrears as on the reporting date. The Company has not defaulted in repayment of dues to debenture holders. There were no outstanding loans from any financial institution or government during the year.

(ix) In our opinion and according to the information and explanations given by the management, money raised by way of term loans has been applied by the Company during the year for the purposes for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.

(x) To the best of our knowledge and according to the information and explanations given by the management, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has made private placement of preference shares during the year under review. In respect of the above issue, we further report that the requirement of section 42 of the Companies Act, 2013, as applicable have been complied with; and the amounts raised during the year have been applied by the Company for the purposes for which the funds were raised.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence section 192 is not applicable.

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MUMBAI
CHARTERED ACCOUNTANTS

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 06, 2019

Annexure - B to the Auditors' Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirement's section of our report to the members of Forbes Technosys Limited of even date)

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

We have audited the Internal Financial Controls over financial reporting of **Forbes Technosys Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

BATLIBOI & PUROHIT * MUMBAI * CHARTERED ACCOUNTANTS

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting of the Company.

Limitations of Internal Financial Controls over Financial Reporting

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

Meaning of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Place : Mumbai
Date : May 06, 2019

FORBES TECHNOSYS LIMITED
BALANCE SHEET AS AT MARCH 31 , 2019

(Rs. In lakhs)

Particulars	Note No.	As on March 31, 2019	As on March 31, 2018
		Rupees	Rupees
ASSETS			
1 Non-Current Assets			
a) Property, plant and equipment	3	227.56	408.41
b) Other intangible assets	4A	3,637.03	1,899.95
c) Intangible assets under development	4B	8,324.76	9,278.35
d) Financial assets:			
i) Other financial assets	5	23.40	33.59
e) Other non-current assets	6	524.28	394.84
Total Non-Current Assets		**12,737.03**	**12,015.14**
2 Current assets			
a) Inventories	7	3,744.19	3,158.68
b) Financial assets:			
i) Trade receivables	8	6,059.42	5,563.83
ii) Cash and cash equivalents	9	427.47	209.60
iii) Bank balances other than (ii) above	9	63.57	54.20
iv) Others financial assets	5	132.98	175.28
c) Other current assets	6	769.58	414.63
Total Current Assets		**11,197.21**	**9,576.22**
Total Assets		**23,934.24**	**21,591.36**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	10	2,689.72	2,689.72
b) Other equity	11	(130.77)	(1,098.28)
Total Equity		**2,558.95**	**1,591.44**
LIABILITIES			
1 Non-Current Liabilities			
a) Financial liabilities:			
i) Borrowings	12	5,002.88	8,290.87
b) Provisions	13	237.44	272.83
Total Non-Current Liabilities		**5,240.32**	**8,563.70**
2 Current Liabilities			
a) Financial liabilities:			
i) Borrowings	14	7,120.37	5,043.36
ii) Trade payables	15		
(i) Total dues of micro and small enterprises		543.88	380.33
(ii) Total dues of other creditors		3,642.11	2,779.68
iii) Other financial liabilities	16	3,994.11	2,024.61
b) Provisions	13	117.37	138.46
c) Other current liabilities	17	717.13	1,069.78
Total Current Liabilities		**16,134.97**	**11,436.22**
Total Liabilities		**21,375.29**	**19,999.92**
Total Equity and Liabilities		**23,934.24**	**21,591.36**

The accompanying notes form an integral part of the financial statements

In terms of our report attached.
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

Mr. Vinayak Prasad ______________________
Managing Director & CEO

Mr. Pallon S. Mistry ______________________
Director

Mr. Jai Mavani _________________________
Director

Mr. Kuppuswamy Subramania______________
Director

Mr. Eddie Poonawala____________________
Director

Ms. Prachi N. Dave______________________
Director

Mr. Vijay K. Lahoti __________________________
Chief Financial Officer

Ms. Rupa Khanna____________________________
Company Secretary

Place : Mumbai
Date : May 6, 2019

FORBES TECHNOSYS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In lakhs except per share data)

	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
			Rupees	Rupees
I	Revenue from operations	18	12,385.34	13,161.35
II	Other income	19	27.95	71.26
III	**Total Income (I + II)**		**12,413.29**	**13,232.61**
IV	**Expenses:**			
	Cost of materials consumed	20.1	2,986.11	2,310.67
	Purchases of stock-in-trade (traded goods)	20.2	3,405.41	4,875.04
	Changes in inventories of finished goods and stock-in-trade (traded goods)	20.3	(643.73)	418.20
	Excise duty on sale of goods		-	105.57
	Employee benefits expense	21	1,297.10	1,143.08
	Finance costs	22	1,307.36	1,095.63
	Depreciation and amortisation expense	3 & 4	755.32	786.78
	Other expenses	23	3,294.86	3,698.04
	Total expenses (IV)		**12,402.43**	**14,433.01**
V	**Profit / (Loss) before tax (III-IV)**		**10.86**	**(1,200.40)**
VI	Tax expense			
	Current tax		-	-
	Earlier years tax adjustments		-	32.62
	Deferred tax		-	-
			-	32.62
VII	**Profit / (Loss) for the year from continuing operations (V - VI)**		**10.86**	**(1,233.02)**
VIII	**Profit / (Loss) for the year**		**10.86**	**(1,233.02)**
IX	**Other comprehensive Income**			
	(i) Items that will not be reclassified to profit or loss			
	Remeasurement loss of the defined benefit plans		(7.60)	(7.44)
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
	Total other Comprehensive Income for the year (i-ii)		(7.60)	(7.44)
X	**Total Comprehensive profit/(loss) for the year (VIII + IX)**		**3.26**	**(1,240.46)**
XI	**Earning per equity share**			
	Basic earnings per equity share	25	0.04	(4.58)
	Diluted earnings per equity share	25	**0.01**	**(4.58)**

The accompanying notes form an integral part of the financial statements

In terms of our report attached.
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

Mr. Vinayak Prasad ______________________
Managing Director & CEO

Mr. Pallon S. Mistry ______________________
Director

Mr. Jai Mavani ______________________
Director

Mr. Kuppuswamy Subramania______________
Director

Mr. Eddie Poonawala____________________
Director

Ms. Prachi N. Dave______________________
Director

Mr. Vijay K. Lahoti ______________________
Chief Financial Officer

Ms. Rupa Khanna________________________
Company Secretary

Place : Mumbai
Date : May 6, 2019

FORBES TECHNOSYS LIMITED
Statement of changes in equity for the year ended March 31, 2019

A) Equity Share Capital

(Rs. In lakhs)

Particulars	Amount
Balance as at March 31, 2017	2,689.72
Changes in equity share capital during the year	-
Balance as at March 31, 2018	**2,689.72**
Changes in equity share capital during the year	-
Balance as at March 31, 2019	**2,689.72**

B) Instrument entirely equity in nature

(Rs. In lakhs)

Particulars	Amount
Balance as at March 31, 2018	**5,200.00**
Changes in during the year	
-Issued during the year	1,000.00
Balance as at March 31, 2019	**6,200.00**

B) Other equity

(Rs. In lakhs)

Particulars	Equity component of compound financial instruments	Reserves and surplus		Instruments Entirely Equity in Nature	Other comprehensive income - Remeasurement of defined benefit plans	Total
		Retained earnings	Deemed capital contribution			
Balance at March 31, 2018	1,703.56	(8,222.23)	228.75	5,200.00	(8.36)	(1,098.28)
Ind as 115 Opening Adjustemnt	-	(17.56)	-	-	-	(17.56)
Profit for the year	-	10.86	-	-	-	10.86
Transferred to retained earning	-	(8.36)	-	-	8.36	-
Issued during the year	-	- (7.60)	-	1,000.00	-	1,000.00
Other comprehensive income for the year, net of income tax	-	-	-	-	-	(7.60)
Transferred to Liability due to remeasurement	(18.19)		-	-	-	(18.19)
Balance at March 31, 2019	**1,685.37**	**(8,244.89)**	**228.75**	**6,200.00**	**-**	**(130.77)**

The accompanying notes form an integral part of the financial statements

In terms of our report attached.
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

Mr. Vinayak Prasad ________________________
Managing Director & CEO

Mr. Pallon S. Mistry ______________________
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Director

Ms. Prachi N. Dave_____________________
Director

Mr. Vijay K. Lahoti __________________________
Chief Financial Officer

Ms. Rupa Khanna____________________________
Company Secretary

Place : Mumbai
Date : May 6, 2019

FORBES TECHNOSYS LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
Cash Flow from Operating Activities				
(Profit) before tax		10.86		(1,200.40)
Adjustments for -				
Depreciation and amortisation expense	755.32		786.78	
Liabilities/ Provisions no longer required written back	-		(25.55)	
Provision for employee benefits	- (5.92)		28.49	
Interest on fixed deposit	1,307.36		(5.97)	
Finance cost	-		1,095.63	
Share issue expenses	55.87		9.50	
Provision for trade receivables (net)	2.21		7.50	
Bad debts written off	33.30		20.92	
Loans and Advances written off	56.70		2.57	
Provision for warranty	42.30		92.26	
Provision for obsolete and slow moving inventory	10.79		19.89	
Unrealised exchange (gain)/loss [net]		2,257.93	(11.76)	2,020.26
Operating profit / (loss) before working capital changes		2,268.79		819.86
Adjustments for changes in working capital:				
(Decrease) / Increase in Trade payables	1,015.18		(1,714.27)	
(Decrease) / Increase in Trade Provisions	(120.77)		(72.00)	
(Decrease) / Increase in Other current liabilities	(352.65)		332.83	
(Decrease) / Increase in Other Financial liabilities	(137.75)		(7.05)	
Decrease / (Increase) in Trade receivables	(571.23)		1,924.26	
Decrease/ (Increase) in Inventories	(627.81)		747.11	
Decrease / (increase) in Other Non Current Assets	(2.60)		(26.27)	
Decrease / (Increase) in Other Financial Assets	37.08		128.61	
Decrease / (increase) in Other Current Assets	(388.25)	(1,148.80)	258.45	1,571.67
Cash generated from operations		1,119.99		2,391.53
Income taxes is received / paid (net of refunds)		(126.84)		(25.28)
(a) Net cash generated from operating activities		**993.15**		**2,366.25**
Cash flows from investing activities:				
Payments for Property Plant and Equipment (including adjustments on account of Intangibles Under Development)	(953.42)		(1,569.55)	
Maturity of fixed deposits	5.91		18.60	
Fixed Deposit Placed During the year	-		(28.74)	
Fixed Deposit income received	0.13	(947.38)	19.56	(1,560.13)
(b) Net cash used in investing activities		**(947.38)**		**(1,560.13)**
Cash flows from financing activities:				
Proceeds from issue of Preference Shares	1,000.00		1,000.00	
Debenture Issue Expenses	-		(41.30)	
Share Issue Expenses	-		(9.50)	
Proceeds from issue of Debentures	-		3,500.00	
Repayment of Debentures	-		(2,500.00)	
Proceeds from Related Party (net of repayments)	2,125.00		-	
Proceeds from borrowings	500.00		-	
Repayment of borrowings	(1,772.01)		(1,771.99)	
Proceeds from working capital loan (net of repayments)	(158.72)		63.82	
Interest and other borrowing cost paid	(1,522.17)	172.10	(1,581.76)	(1,340.73)
(c) Net cash used in / generated from financing activities		**172.10**		**(1,340.73)**

FORBES TECHNOSYS LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rupees	Rupees	Rupees	Rupees
(d) Net increase in cash and cash equivalents (a + b + c)		**217.87**		**(534.61)**
(e) Cash and cash equivalents as at the commencement of the year				
Balances with banks in current accounts	208.61		743.24	
Cash on hand	0.99	209.60	0.97	744.21
(f) Cash and cash equivalents as at the end of the year (d + e) (Refer Note 9)				
Balances with banks in current accounts	424.71		208.61	
Cash on hand	2.76	427.47	0.99	209.60

The accompanying notes form an integral part of the financial statements

In terms of our report attached.
For Batliboi & Purohit
Chartered Accountants
Firm regn No.101048W

Partner
Membership No. 116976

Place : Mumbai
Date : May 6, 2019

For and on behalf of the Board of Directors

Mr. Vinayak Prasad ______________________
Managing Director & CEO

Mr. Pallon S. Mistry ____________________
Director

Mr. Jai Mavani ________________________
Director

Mr. Kuppuswamy Subramania____________
Director

Mr. Eddie Poonawala__________________
Director

Ms. Prachi N. Dave____________________
Director

Mr. Vijay K. Lahoti ________________________
Chief Financial Officer

Ms. Rupa Khanna__________________________
Company Secretary

Place : Mumbai
Date : May 6, 2019

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 3 - Property, Plant and Equipment and Capital work-in-progress

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
Property, Plant and Equipment		
Carrying amount of :		
a) Furniture & Fixtures	3.61	4.29
b) Data Processing Equipment's		
(i) On lease	139.22	183.83
(ii) Other than lease	70.92	200.70
c) Office equipment	13.81	19.59
Total	**227.56**	**408.41**

(Rs. In lakhs)

Particulars	Furniture & Fixtures	Data Processing Equipments		Office equipment	Total
		On Lease	Other than lease		
I. Deemed cost					
Balance as at April 01, 2017	20.36	354.86	598.98	76.12	1,050.32
(+) Additions	-	6.09	-	3.03	9.12
(-) Disposals	-	-	-	-	-
Balance as at March 31, 2018	**20.36**	**360.95**	**598.98**	**79.15**	**1,059.44**
(+) Additions	-	3.01	-	3.06	6.07
(-) Disposals	-	-	0.94	3.87	4.81
Balance as at March 31, 2019	**20.36**	**363.96**	**598.04**	**78.34**	**1,060.70**
II. Accumulated depreciation					
Balance as at April 01, 2017	14.22	103.42	274.89	45.36	437.89
Depreciation expense	1.85	73.69	123.39	14.20	213.13
Eliminated on disposals of assets	-	-	-	-	-
Balance as at March 31, 2018	**16.07**	**177.11**	**398.28**	**59.56**	**651.02**
Depreciation expense	0.70	47.63	129.78	8.84	186.95
Eliminated on disposals of assets	-	-	0.94	3.87	4.83
Balance as at March 31, 2019	**16.77**	**224.74**	**527.12**	**64.53**	**833.14**
III. Carrying Amount					
Balance as at March 31, 2018	4.29	183.83	200.70	19.59	408.41
Balance as at March 31, 2019	3.61	139.22	70.92	13.81	227.56

Note:
Refer Note 12 for details of Property, Plant and Equipment pledged as security for the loans obtained from the Banks.

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 4 A - Other Intangible Assets

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
Other Intangible Assets		
Carrying amount of :		
a) Internally generated		
i) Bill Payment and Cheque deposit software	80.57	149.63
ii) Forbes Xpress	116.60	216.55
iii) Cash based Ticketing Solutions and other peripherals related to banking	1,108.53	1,478.37
iv) Document Management System	2,296.61	-
b) Others		
Computer Software	34.72	55.40
	3,637.03	**1,899.95**

(Rs. In lakhs)

Particulars	Internally generated				Others	Total
	Document Management System	Bill Payment and Cheque deposit software	Forbes Xpress	Cash based Ticketing Solutions and other peripherals related to banking	Computer Software	
I. Deemed cost						
Balance at April 01, 2017	-	377.43	544.38	1,849.22	209.27	2,980.30
(+) Additions						
Additions from separate acquisitions	-	-	-	-	42.71	42.71
Additions from internal developments	-	-	-	-	-	-
(-) Disposals	-	-	-	-	-	-
Balance at March 31, 2018	**-**	**377.43**	**544.38**	**1,849.22**	**251.98**	**3,023.01**
(+) Additions						
Additions from separate acquisitions		-	-	-	-	-
Additions from internal developments	2,305.45	-	-	-	-	2,305.45
(-) Disposals	-	-	-	-	-	-
Balance at March 31, 2019	**2,305.45**	**377.43**	**544.38**	**1,849.22**	**251.98**	**5,328.46**
II. Accumulated depreciation						
Balance at April 01, 2017	-	158.74	224.40	1.01	165.26	549.41
Amortisation expense	-	69.06	103.43	369.84	31.32	573.65
Eliminated on disposals of assets	-	-	-	-	-	-
Balance at March 31, 2018	**-**	**227.80**	**327.83**	**370.85**	**196.58**	**1,123.06**
Amortisation expense	8.84	69.06	99.95	369.84	20.68	568.37
Eliminated on disposals of assets	-					-
Balance at March 31, 2019	**8.84**	**296.86**	**427.78**	**740.69**	**217.26**	**1,691.43**
III. Carrying Amount						
Balance at March 31, 2018	-	149.63	216.55	1,478.37	55.40	1,899.95
Balance at March 31, 2019	2,296.61	80.57	116.60	1,108.53	34.72	3,637.03

Note :
Refer Note 12 for details of Property, Plant and Equipment pledged as security for the loans obtained from the Banks.

Note No. 4 B - Intangible Assets Under Development

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
Carrying amount at the beginning of the Year	9278.35	7,168.61
Add: Internally developed during the year	1351.86	2,109.74
Less: Transferred to Intangible Assets	(2,305.45)	-
Carrying amount at the end of the Year Total	**8,324.76**	**9,278.35**

Note No. 5 - Other financial assets

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
Non-current		
a) Deposits with bank held as margin money with remaining maturity of more than 12 months	23.40	33.59
Total	**23.40**	**33.59**
Current		
a) Security deposits	43.51	61.08
b) Earnest money deposits	89.47	114.20
Total	**132.98**	**175.28**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 6 - Other assets

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
Non-current		
a) Advance income tax	495.41	368.57
b) Balances with statutory / government authorities - VAT	28.87	26.27
Total	**524.28**	**394.84**
Current		
a) Prepaid expenses	56.78	40.83
b) Balances with statutory / government authorities	-	2.60
c) Others		
i) Advances to Suppliers	138.49	255.21
ii) Advances to Employees	6.14	16.76
Iii) Others	33.32	29.41
IV) Contract assets	534.85	69.82
Total	**769.58**	**414.63**

Note No. 7 - Inventories

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
Valued at lower of cost and net realizable value		
a) Raw materials and components	822.57	880.78
b) Finished goods (Other than those acquired for trading)	1,002.38	379.06
c) Stock-in-trade (Traded goods)	1,919.24	1,890.34
d) Stock-in-transit (Traded goods)	-	8.50
Total	**3,744.19**	**3,158.68**

Notes:
(i) Refer Note 12 for details of current assets pledged as security for the loans obtained from the Banks.
(ii) The method of valuation of inventories has been stated in note 2.4.
(III) Write down of inventories to net realisable value amounted to Rs.49.30 Lakhs (2018: Rs. 19.89 Lakhs)

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 8 - Trade receivables

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	**Rupees**
Current		
a) Trade receivables:		
i) Unsecured, considered good	6,059.42	5,563.83
ii) Unsecured, considered doubtful	228.69	172.82
	6,288.11	5,736.65
Less: Allowance for Expected Credit Loss	228.69	172.82
Total	**6,059.42**	**5,563.83**

Notes:

Before accepting any new customer, the company assesses the potential customer's credit quality and defines credit limits by customers. Assessments are reviewed at regular intervals. Of the trade receivables balance as at March 31, 2019, Rs.2463.88 Lakhs is due from five customers (As at March 31, 2018 Rs. 2,071.06 Lakhs). There were no trade receivables which had significant increase in credit risk during the year or any credit impaired receivables.

The company has not used the practical expedient for computing the expected credit loss allowance for trade receivables. The Company has determined the expected credit loss allowance for trade receivables based on an assessment of significant changes in its credit risk or risk of default for its trade receivables. The Company considers customer type (as below) while making such assessment for the purpose of determining the expected credit loss allowance. The policy for expected credit loss allowance takes into account historical credit loss experience and adjusted for forward-looking information.

(Rs. In lakhs)

Category of Customers	As on March 31, 2019	As on March 31, 2018
	Rupees	**Rupees**
Banks	3,981.96	4,099.43
Dealers	110.41	109.84
Forbes Xpress	8.73	2.90
Government	1,058.52	988.96
Related Party	473.13	-
Others	655.36	535.52
Grand Total	**6,288.11**	**5,736.65**

Movement in the expected credit loss allowance (Rs. In lakhs)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Rupees	**Rupees**
Balance at the beginning of the year	172.82	165.32
Movement in expected credit loss allowance on trade receivables Calculated at lifetime expected credit losses		
Impairment losses recognised in the year based on lifetime expected credit losses	55.87	7.50
Balance at the end of the year	228.69	172.82

Note No. 9 - Cash and bank balances

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	**Rupees**
a) Cash and cash equivalents		
i) Cash on hand	2.76	0.99
ii) Balances with bank		
- In current accounts	424.71	208.61
Total	**427.47**	**209.60**
b) Other bank balances		
Balances held as margin money with remaining maturity of less than 12 months	63.57	54.20
Total	**63.57**	**54.20**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 10 - Equity share capital

(Rs. In lakhs)

Particulars	As on March 31, 2019		As on March 31, 2018	
	No. of shares	Rupees	No. of shares	Rupees
a) Authorised share capital				
Equity shares of Rs.10 each	27,000,000	2,700.00	27,000,000	2,700.00
b) Issued, subscribed and fully paid:				
Equity Shares of Rs.10 each with voting rights	26,897,200	2,689.72	26,897,200	2,689.72
Total	**26,897,200**	**2,689.72**	**26,897,200**	**2,689.72**

i) Reconciliation of the number of Equity shares and amount outstanding at the beginning and at the end of the reporting period:

(Rs. In lakhs)

Particulars	No. of shares	Rupees
Equityshareswithvotingrights:		
Balance as at April 01, 2017	26,897,200	2,689.72
Fresh issue	-	-
Balance as at March 31, 2018	26,897,200	2,689.72
Fresh issue	-	-
Balance as at March 31, 2019	**26,897,200**	**2,690**

ii) Rights attached to equity shares:

a) Right to receive dividend as may be approved by the Board / at the Annual General Meeting.

b) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provision of the Companies Act, 2013.

c) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak and on a show of hands, has one vote if he is present in person and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

iii) Details of Equity shares held by the holding company, its subsidiaries and associates:

Particulars	No. of shares
As at March 31, 2019	
Forbes & Company Limited, the Holding company	15,000,000
Forbes Campbell Finance Limited, the fellow subsidiary company	11,897,180
As at March 31, 2018	
Forbes & Company Limited, the Holding company	15,000,000
Forbes Campbell Finance Limited, the fellow subsidiary company	11,897,180

iv) Details of Equity shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares held	% of holding
As at March 31, 2019		
Forbes & Company Limited, the Holding company	15,000,000	55.77%
Forbes Campbell Finance Limited, the fellow subsidiary company	11,897,180	44.23%
As at March 31, 2018		
Forbes & Company Limited, the Holding company	15,000,000	55.77%
Forbes Campbell Finance Limited, the fellow subsidiary company	11,897,180	44.23%

V) Aggregate number of equity shares allocated as fully paid up pursuant to contract with out payment being received in cash	NIL
VI) Aggregate number and class of shares allotted as fully paid-up by way of bonus shares.	NIL
VII) Aggregate number and class of shares bought back.	NIL

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 11 - Other Equity

(Rs. In lakhs)

Particulars	As on March 31, 2019 Rupees	As on March 31, 2018 Rupees
a) Retained earnings	(8,244.89)	(8,222.23)
b) Other Comprehensive Income - Remeasurement of defined benefit plans	-	(8.36)
c) Equity component of 0.1% Cumulative non-convertible preference shares	894.43	894.43
d) Deemed capital contribution - Financial Guarantee commission	228.75	228.75
e) Instrument entirely equity in nature	6,200.00	5,200.00
f) Interest component of Compound Financial instruments reclassified to equity	790.94	809.13
Balance at the end of the year	**(130.77)**	**(1,098.28)**

(Rs. In lakhs)

Particulars	Amount Rupees
a) Retained earnings	
Balance as on April 01, 2017	**(6,989.21)**
Add: Loss for the year	(1,233.02)
Balance as at the end of the year 2018	**(8,222.23)**
Add : Ind as 115 Opening Adjustment	**(17.56)**
Add: Profit for the year	10.86
Add: Transfer from Other Comprehensive Income	(8.36)
Add: Other Comprehensive income - Remeasurement of defined benefit plans	(7.60)
Balance as at the end of the year 2019	**(8,244.89)**
b) Other Comprehensive Income - Remeasurement of defined benefit plan	
Balance as on April 01, 2017	**(0.92)**
Add: Remeasurement of defined benefit plans (net of income tax)	(7.44)
Balance as on March 31, 2018	**(8.36)**
Less: Transferred or retain earnings	8.36
Balance as on March 31, 2019	**-**
c) Equity component of 0.1% Cumulative, non-convertible, redeemable preference share	
Balance as on April 01, 2017	**894.43**
Add: Addition during the year	-
Balance as on March 31, 2018	**894.43**
Add: Addition during the year	-
Balance as on March 31, 2019	**894.43**
e) Deemed capital contribution - Financial Guarantee commission	
Balance as on April 01, 2017	**228.75**
Add: Accrued during the year	-
Balance as on March 31, 2018	**228.75**
Add: Accrued during the year	-
Balance as on March 31, 2019	**228.75**
f) Instrument entirely equity in nature	
Balance as on April 01, 2017	
Add: Reclassified from borrowings	2,496.98
Add: Reclassified from Compound Financial instruments	1,703.02
Add: Issued during the year 2018	1,000.00
Balance as on March 31, 2018	**5,200.00**
Add: Issued during the year	1,000.00
Balance as on March 31, 2019	**6,200.00**
g) Interest component of Compound Financial instruments reclassified to equity	
Balance as on March 31, 2018	**809.13**
Add: Transferred to liability on remeasurment	(18.19)
Balance as on March 31, 2019	**790.94**

Note No. 12 - Borrowings - Non- Current

(Rs. In lakhs)

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
a) Debentures - Unsecured (at amortised cost)		
i) Series I (250 of face value of Rs. 10,00,000/- each) (Refer note no. 12.1 below)		
ii) Series II (250 of face value of Rs. 10,00,000/- each) (Refer note no. 12.1 below)		
i) India Bulls (250 of face value of Rs. 10,00,000/- each) (Refer note no. 12.1 below)	-	2,496.67
ii) Axis Bank (350 of face value of Rs. 10,00,000/- each) (Refer note no. 12.2 below)	3,480.57	3,468.06
b) Term loans - Secured (at amortised cost)		
From Banks:		
i) Axis Bank Ltd (Refer note no. 12.3 below)	-	570.00
ii) Yes Bank (Refer note no. 12.5 below)		
ii) DCB bank (Refer note no. 12.4 below)		
c) Term loans - Unsecured (at amortised cost)		
From Bank:		
Yes Bank (Refer note no. 12.4 below)	900.00	1,500.00
d) Long Term Working Capital Loan - Secured (at amortised cost)		
i) DCB working capital loan (Refer note no. 12.5 below)	333.32	-
e) Liability Component of Compound Financial Instrument		
i) Preference Share Capital (Refer note no. 12.6 below)	288.99	256.14
e) Other loans		
i) Preference Share Capital (Refer note no. 12.6 below)		
Total	**5,002.88**	**8,290.87**

A) <u>Summary of borrowing arrangements:</u>

12.1) i) Debentures are Unsecured, Redeemable and Non Convertible
ii) Date of allotment of Debentures : March 20, 2017.
iii) The maturity of Debentures - March 20, 2020.
iv) The debentures carry interest @ 10.38% p.a payable on quarterly basis.
v) The debentures are backed by Corporate Guarantee of Forbes & Company Limited, Holding company

12.2) i) Debentures are Unsecured, Redeemable and Non Convertible
ii) Date of allotment of Debentures : October 18, 2017.
iii) The maturity of Debentures - October 18, 2020.
iv) The debentures carry interest @ 9.90% p.a payable on quarterly basis. Interest rate has been revised at 10.15% p.a w.e.f October 27, 2018
v) The debentures are backed by Corporate Guarantee of Forbes & Company Limited, Holding company

12.3) Floating rate loans with Axis bank Limited with remaining maturity period not exceedings 12 months (as at March 31, 2018: 2 years).The interest rate on these loans is in the range of 10.20% to 10.25% per annum (as at March 31, 2018: 10.00% per annum). These are secured by a mortgage over Primary : Exclusive 1st charge on movable and immovable fixed assets (tangible + intangible), present and future, of the company. Collateral: Extension of pari passu 1st charge on current assets of the company. The Maturity of Term Loan - March 2020.

12.4) Floating rate loans with Yes bank Limited with remaining maturity periods not exceedings 2 years and 5 months (as at March 31, 2018 : 3 years and 5 years). The interest rate on these loans is in the range of 10.25% to 10.75% per annum (as at March 31, 2018 : 9.80%). These are backed by a Unconditional and Irrevocable Corporate Guarantee of Forbes & Company Limited The Maturity of term loan - August - 2021.

12.5) Floating rate loans with DCB bank with remaining maturity periods not exceedings 2 Years. The interest rate on these loans is in the range of 10.24% to 10.74% per annum . These are secured by 1st Pari-passu charge on all the present and future current assets of the company along with Axis Bank Limited. The Maturity of term loan - March - 2021

12.6) i) 0.1% Cumulative Non Convertible Redeemable Participating Preference Shares were issued in 2010-11 for a tenure of 20 years with cumulative dividend of 0.1% per annum.

B) The terms of repayment of term loans and other loans are stated below:

(Rs. In lakhs)

Particulars	Nature of Security	Terms of repayment	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
i)Debentures (Unsecured)				
(a) India Bulls	The debentures are backed by Corporate guarantee of Forbes & Company Limited	i) One time bullet repayment on March 20, 2020 ii) Rate of interest 10.38%	2,500.00	2,500.00
(b) Axis Bank	The debentures are backed by Corporate guarantee of Forbes & Company Limited	i) One time bullet repayment on October 18, 2020 ii) Rate of interest 9.90% (10.15% w.e.f October 27, 2018)	3,500.00	3,500.00
ii) Axis Bank	i) Secured by exclusive 1st charge on movable and immovable fixed assets (tangible and intangible), present and future, of the Company. ii) Secured by 1st charge on current asset, present and future, of the company.	i) Quarterly repayments in 14 tranches starting from December 2016. ii) Rate of interest ranging from 10.20% to 10.25%	570.00	1,142.00
iii) Yes Bank	Unconditional and irrevocable corporate guarantee of Forbes & Company Ltd	(i) Term Loan shall be repayable in 18 equal quarterly installment of Rs.1,50.00 Lakhs from May 2017. (ii) Rate of interest ranging from 10.25% to 10.75%.	1,500.00	2,100.00
iv) Development Credit Bank	The Loan is backed by Corporate guarantee of Forbes & Company Ltd	i) Repayment in 18 monthly equal instalments from July 2017 ii) Rate of interest 11%	-	600.01
iv) Development Credit Bank	The Loan is secured by 1st Pari-passu charge on all the present and future current assets of the company along with Axis Bank Ltd.	i) Repayment in 18 monthly equal instalments from October 2019 ii) Rate of interest ranging from 10.24% to 10.74%	500.00	-

C) The terms of Compound Financial Instrument

(Rs. In lakhs)

Particulars	Terms of redemption	Principal Outstanding as at March 31, 2019	Principal Outstanding as at March 31, 2018
0.1% Cumulative Non Convertible Redeemable Participating Preference Shares (Refer note no.33)	20 years from Date of Allotment	105.58	105.58

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 13 - Provisions

(Rs. In lakhs)

Particulars	As at March 31, 2019 Rupees	As at March 31, 2019 Rupees
Non-current		
a) Provision for employee benefits		
i) Gratuity (Refer note 26)	127.36	122.04
ii) Compensated absences	93.07	89.28
b) Other provisions		
i) Assurance Warranty (Refer note below)	17.01	61.51
Total	**237.44**	**272.83**
Current		
a) Provision for employee benefits		
i) Gratuity (see note 26)	42.78	53.41
ii) Compensated absences	34.90	54.30
b) Other provisions		
i) Assurance Warranty (Refer note below)	39.69	30.75
Total	**117.37**	**138.46**

Note : Movement of warranties

The Company provides warranty on certain products, undertaking to repair or replace the item 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. The Table given below gives information about movement in warranty provisions.

(Rs. In lakhs)

Particulars	Amount
Balance as on April 01, 2017	72.00
Additional provisions recognised	92.26
Reduction arising from utilisation/reversal during the year	(72.00)
Balance as on March 31, 2018	**92.26**
Additional provisions recognised	56.70
Reduction arising from utilisation/reversal during the year	(92.26)
Balance as on March 31, 2019	**56.70**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 14 - Borrowings- Current

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Rupees	**Rupees**
a) Unsecured at amortised cost:		
Repayable on demand		
i) Loans from related parties (refer note (i) to (iii) above	2,481.58	245.85
	2,481.58	**245.85**
b) Secured at amortised cost: (Refer Note (iv) below)		
Repayable on demand		
i) Cash credit from Development Credit Bank Limited.	2,394.65	2,692.94
ii) Cash credit from Axis Bank Limited.	2,244.14	2,104.57
	4,638.79	**4,797.51**
TOTAL	**7,120.37**	**5,043.36**

Notes:

(i) Fixed rate loan with Lucrative Properties Private Limited repayable on demand. The effective rate of interest is 12.50% p.a (as on March 31, 2018 is 12.25% p.a)

(ii) Fixed rate loan with Forbes & Company Limited repayable on demand. The effective rate of interest is 10.80% p.a

(iiI) Fixed rate loan with Shapoorji Pallonji & Company Pvt Ltd repayable on demand. The rate of interest ranges from 10.50% to 11.50% p.a

(iv) Cash credit from Axis Bank and Development Credit Bank are secured by Pari Passu hypothecation charge on all inventory and trade receivables of the Company with the carrying amount of Rs. 9803.61 Lakhs as on March 31, 2019 and Rs.8,722.51 Lakhs as on March 31, 2018. Both Cash credit is backed by Corporate Guarantee of Forbes & Company Limited. Interest rate on Axis Bank ranges from 10.20% to 10.70% and DCB Bank from 10.24% to 10.74%.

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 15 - Trade Payables

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Rupees	Rupees
Current		
a) Total outstanding dues of Micro enterprises and small enterprises (Refer Note 28)	543.88	380.33
b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	3,642.11	2,779.68
Total	**4,185.99**	**3,160.01**

Note No.16 - Other financial liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Rupees	Rupees
Current		
a) Current maturities of long-term borrowings *		
- Secured Loans	736.68	1,172.01
- Unsecured Loans	600.00	600.00
- Debentures	2,498.36	-
b) Interest accrued but not due	96.72	179.00
c) Security Deposits	62.35	73.60
Total	**3,994.11**	**2,024.61**

* Refer foot Notes to Note No. 12

Note No. 17 - Other liabilities

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
	Rupees	Rupees
Current		
A) Contract Liabilities		
a) Customers Credit Balances	604.37	718.22
b) Income received in advance (Unearned revenue)	13.60	226.77
B) Payables to statutory authorities	99.16	124.79
Total	**717.13**	**1,069.78**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 18 - Revenue from operations

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rupees	**Rupees**
A) Revenue from contracts from customers		
a) Sale of products		
(Including Excise Duty of Rs.105.57 Lakhs for the year ended March 31, 2018)		
i) Manufactured goods		
Kiosks & software	3,559.53	3,250.69
ii) Traded goods		
Business Automation Products	1,194.37	1,380.78
Mobile Recharge	2,753.64	4,440.28
	7,507.54	**9,071.75**
b) Sale of services		
i) Annual maintenance and support services charges	4,078.61	3,171.65
ii) Transaction charges	243.04	245.67
iii) Commission income	353.25	282.59
	4,674.90	**3,699.91**
B) Other operating revenues		
Lease Income	202.90	389.69
	202.90	**389.69**
Total	**12,385.34**	**13,161.35**

(i) There were no adjustment to contract price of the revenue recognised during the year on account of discounts, rebates, incentive et

Note No. 19 - Other income

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rupees	**Rupees**
a) Interest income		
i) on fixed deposit with banks	5.92	5.97
ii) on Income Tax refund	19.96	16.81
b) Liabilities / provisions no longer required written back	-	25.55
c) Miscellaneous income	2.07	22.93
Total	**27.95**	**71.26**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 20.1 Cost of materials consumed

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019 Rupees	For the year ended March 31, 2018 Rupees
Opening stock of raw materials and components	880.79	1,229.58
Add: Purchases	2,927.89	1,961.88
	3,808.68	3,191.46
Less: Closing stock of raw materials and components	822.57	880.79
Total	**2,986.11**	**2,310.67**

Note No. 20.2 Purchases of stock-in-trade (traded goods)

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019 Rupees	For the year ended March 31, 2018 Rupees
Note Counting Machine	4.51	13.72
Electronic Cash Register	-	0.08
Point of Sale Machine	52.94	51.98
Hand held terminal	1.84	11.74
Scanner	99.14	89.01
Others	596.71	460.24
Mobile Recharge Purchase	2,650.27	4,248.27
Total	**3,405.41**	**4,875.04**

Note No. 20.3 Changes in inventories of finished goods and stock-in-trade (traded goods)

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019 Rupees	For the year ended March 31, 2018 Rupees
a) Inventories at the beginning of the year:		
i) Finished goods	379.06	415.82
ii) Work-in-progress	-	-
ii) Stock-in-trade (traded goods)	1,890.34	2,280.28
iii) Stock-in-transit (traded goods)	8.50	-
	2,277.90	**2,696.10**
b) Inventories at the end of the year:		
i) Finished goods	1,002.38	379.06
ii) Work-in-progress	-	-
ii) Stock-in-trade (traded goods)	1,919.24	1,890.34
iii) Stock-in-transit (traded goods)		8.50
	2,921.62	**2,277.90**
Net increase	**(643.73)**	**418.20**

Note No. 21 - Employee benefits expense

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019 Rupees	For the year ended March 31, 2018 Rupees
a) Salaries and wages	1,175.42	1,005.69

b) Contribution to provident and other funds	71.23	69.63
c) Gratuity expense (Refer note no. 26)	26.38	28.86
d) Staff welfare expense	24.07	38.90
Total	**1,297.10**	**1,143.08**

Note No. 22 - Finance costs

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rupees	Rupees
a) Interest expense on:		
i) Debentures	623.94	576.68
ii) Term loans	306.50	490.93
iii) Cash credits and working capital loans	497.12	458.47
iv) Loans from related parties	123.03	24.51
iv) Others	126.64	71.63
	1,677.23	1,622.22
Less: Amount included in the cost of qualifying asset	(404.54)	(592.00)
	1,272.69	1,030.22
b) Other borrowing costs	34.67	65.41
Total	**1,307.36**	**1,095.63**

Note

(i) The Weighted Average Capitalisation rate on funds borrowed generally is 10.14 % p.a. (2017-18: 13.93 % p.a.)

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 23 - Other expenses

(Rs. In lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
	Rupees	Rupees
Managed assets service provider's charges	226.13	425.59
Contract labour charges	1,186.46	935.58
Power and fuel	40.81	39.33
Rent including lease rentals	116.36	102.63
Repairs and maintenance - Buildings	17.08	3.63
Repairs and maintenance - Others	40.47	79.06
Insurance	24.35	33.53
Communication	52.54	59.24
Travelling and conveyance	253.53	248.25
Printing and stationery	26.86	40.74
Warranty and AMC expenses (Refer note no. 13)	119.39	576.89
Freight and forwarding	269.46	330.50
Money Transfer Commission	408.04	316.13
Service charges	137.00	155.28
Strategic Support Service Charges	13.16	13.31
Share issue expenses	-	9.50
Annual maintenance and service charges	10.88	12.99
Legal and professional	70.92	33.32
Payments to the auditor (Net of Taxes)		
i) Audit fees	10.00	17.08
ii) Tax audit fees	3.00	1.75
iii) Limited Review	2.50	3.00
iv) For reimbursement of expenses	0.10	0.73
Foreign exchange loss (Net)	16.64	12.40
Loans and advances written off	33.30	2.57
Bad debts written off	2.21	20.92
Provision for trade receivables (net)	55.87	7.53
Miscellaneous expenses	157.80	216.56
Total	**3,294.86**	**3,698.04**

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

Note No. 24 - Segment information

24.1 Products and Services from which reportable segments derive their revenues

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. In respect of goods the information is further analysed as Trading Segment and Manufacturing Segment and in respect of services as Forbes Xpress Segment and Transaction Network & Support Service Segment. Trading segment consists sale of Note Counting Machine, Electronic Cash Register, Point of Sale Machine etc. Manufacturing segment consists sale of different types of Kiosks. Forbes Xpress Segment consists sale of Mobile Recharge, Bill Payments and Money Transfer. Transaction network and services comprises of maintenance, servicing, transaction charges, support services for kiosks and other devices. No operating segments have been aggregated in arriving at the reportable segments of the company.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis.

24.2 Segment revenues and results

The following is an analysis of the Company revenue and results from continuing operations by reportable segment

(Rs. In lakhs)

Particulars	Segment revenue		Segment profit	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
1) Trading	1,194.37	1,380.78	377.26	298.34
2) Manufacturing	3,559.53	3,250.69	841.79	396.87
3) Forbes Xpress	3,106.88	4,722.87	(177.97)	(171.94)
4) Transaction network and support services	4,524.56	3,807.01	3,641.74	2,267.05
Total for continuing operations	**12,385.34**	**13,161.35**	**4,682.82**	**2,790.32**
Unallocated				
Other income			27.96	71.26
Finance costs			(1,307.36)	(1,095.63)
Central administration costs and managerial remuneration			(3,392.56)	(2,966.35)
Profit / (Loss) before tax(continuing operations)			**10.86**	**(1,200.40)**

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in current year (2017-18: Nil)

The accounting policies of the reportable segments are the same as the Company accounting policies described in note 2. Segment profit/(loss) represents the profit/(loss) before tax earned by each segment without allocation of central administration costs and director salaries, other income, as well as finance costs. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

24.3 Segments assets and liabilities

(Rs. In lakhs)

Segment assets	As at March 31, 2019	As at March 31, 2018
1) Trading	4,569.18	4,119.01
2) Manufacturing	9,728.75	7,729.29
3) Forbes Xpress	1,732.99	1,508.95
4) Transaction network and support services	6,377.90	6,991.18
Total Segment assets	**22,408.82**	**20,348.43**
Unallocated corporate assets	1,525.42	1,242.93
Total assets	**23,934.24**	**21,591.36**

(Rs. In lakhs)

Segment liabilities	As at March 31, 2019	As at March 31, 2018
Trading	630.25	634.91
Manufacturing	2,603.55	1,837.88
Forbes Xpress	293.22	365.94
Transaction network and support services	293.65	273.49
Total Segment liabilities	**3,820.67**	**3,112.22**
Unallocated corporate liabilities	17,554.62	16,887.70
Total liabilities	**21,375.29**	**19,999.92**

For the purpose of monitoring segment performance and allocating resources between segments, segments liabilities and assets have been allocated to segments on the basis of their relationship to the operating activities of the segments, other than Borrowings, Interest accrued thereon, Provision for Employee Benefits, Deposits with Banks, Interest Accrued thereon, Prepaid Expenses, Cash and Cash Equivalents and Advance Income Tax.

24.4 Other segment information

(Rs. In lakhs)

Particulars	Depreciation and amortisation		Additions to non-current assets	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trading	2.35	3.55	724.02	60.79
Manufacturing	104.50	120.03	3,070.36	1,469.89
Forbes Xpress	113.08	116.78	895.92	187.24
Transaction network and support services	517.86	515.35	5,306.36	351.83
Sub Total	**737.79**	**755.71**	**9,996.66**	**2,069.75**
Unallocated	17.53	31.07	627.42	91.80
Total	**755.32**	**786.78**	**10,624.08**	**2,161.55**

24.5 Revenue from major products and services

The following is an analysis of the Company revenue from continuing operations from its major products and services.

(Rs. In lakhs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Trading - Scanner	267.53	375.41
Trading - Other	926.85	1,005.37
Manufacturing - Kiosk & software	3,559.53	3,250.69
Forbes Xpress (Mobile recharge and commission)	3,106.88	4,722.87
Annual maintenance and support services charges	4,078.61	3,171.65
Transaction charges & lease income	445.94	635.36
Total	**12,385.34**	**13,161.35**

24.6 Information about Major Customers

No Single customer contributed 10% or more to the company revenue in current year.

Note No. 25 - Earnings per Share

(Rs. In lakhs)

Particulars	**As at March 31, 2019**	**As at March 31, 2018**
	Rupees	**Rupees**
1) i) Profit / (Loss) for the year attributable to Owners for Basic earnings	10.86	(1,233.02)
ii) Effect of dilution on Profit/ (Loss) for the year.	-	-
iii) Profit / (Loss) for the year adjusted after effect of dilution	10.86	(1,233.02)
2) i) Weighted average number of equity shares for the purposes of basic earnings per share (in lakhs)	268.97	268.97
ii) Effect of dilution on weighted average number of equity shares (in lakhs)	565.04	-
iii) Weighted average number of equity shares for the purposes of diluted earnings per share (in lakhs)	834.01	268.97
3) Par value per share	10.00	10.00
4) Basic earnings per share	0.04	(4.58)
5) Diluted earning per share	0.01	(4.58)

Diluted earnings per share

The diluted earnings per share has been computed by dividing the Net profit after tax available for Equity shareholders by the weighted average number of equity shares. In the previous year since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

lnd AS 115 'Revenue from Contracts with Customers' is a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 and is effective from accounting period beginning on or after 1st April, 2018 and replaces the existing revenue recognition standards. The application of lnd AS 115 has bearing on the Company's accounting for recognition of revenue from sale of products.

The Company has applied the modified retrospective approach as on 1st April 2018. The Company has recorded an opening impact in retained earnings towards the reversal of profits aggregating Rs. 17.56 Lakhs (net of tax) on sale of goods where control was transferred on or after 1st April, 2018. Accordingly, the comparatives have not been restated and hence, the current year figures are not comparable with the previous year figures.

Had the company continued application of earlier standards instead of lnd AS 115, the following line items would be higher by

Financial statement line item	**Year ended March 31, 2019**
Revenue	362.85
Cost of inventory consumed	331.87
Net profit after tax	30.98

Had the company continued application of earlier standards instead of lnd AS 115, the basic and diluted EPS would be as follows

Particulars	**Year ended March 31, 2019**
Basic EPS pre lnd AS 115	0.16
Basic EPS post lnd AS 115	0.04
Diluted EPS pre lnd AS 115	0.05
Diluted EPS post lnd AS 115	0.01

26. Employee benefit plans
26.1 Defined Contribution plans

The Company makes contributions to Provident Fund (including NPS) and Employees State Insurance which is defined contribution plan for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The Company has recognised the following amount in the statement of profit and loss under the head "Employee Benefit Expense".

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Contributions to provident fund (including NPS)	69.39	53.77
Contributions to Employees State Insurance	1.84	1.91

26. 2 Defined benefit plans

The Company offers Gratuity (included as part of Gratuity expense in Note 26 Employee benefits expense) as employee benefit scheme to its employees.

The following table sets out the unfunded status of the defined benefit schemes and the amount recognised in the financial

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Expenses recognised in Statement of Profit and Loss		
Current service cost	13.48	12.56
Interest cost	12.90	10.12
Past Service Cost and (gain)/loss from settlements	-	6.18
Actuarial (gains) / losses	7.60	7.44
Total expense	**33.98**	**36.30**
Actual benefit payments for year		
Actual benefit payments	39.28	8.67

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(Rs. In lakhs)

Particulars	Valuation as at	
	March 31, 2019	March 31, 2018
Discount rate(s)	6.96%	7.35%
Expected rate(s) of salary increase	7.00%	7.00%
Attrition	20.00%	20.00%
Retirement age	60 Yrs	60 Yrs
Mortality tables	India Assured Lives Mortality (2006-08)	India Assured Lives Mortality (2006-08)

Notes:

a) The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date
b) The estimate of future salary increase considered, takes into account the inflation, seniority, promotion, increments and
c) The above information is as certified by the actuary and relied upon by the auditors

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Service Cost		
Current Service Cost	13.48	12.56
Past Service Cost and (gain)/loss from settlements	-	6.18
Net Interest expense	12.90	10.12
Components of defined benefit costs recognised in the Statement of Profit and Loss	**26.38**	**28.86**
Actuarial (Gains)/losses arising from changes in financial assumptions	1.98	7.03
Actuarial (Gains)/losses arising from experience assumptions	5.62	0.41
Components of defined benefit costs recognised in other comprehensive income	**7.60**	**7.44**
Total	**33.98**	**36.30**

The current service cost and the net interest expense for the year are included in the "Employee benefits expense" line item in the statement of profit and loss
The premeasurement of the net defined liability is included in other comprehensive income.
Movements in the present value of the defined benefit obligations are as follows:

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening defined benefit obligations	175.45	147.82
Current service cost	13.47	12.56
Interest Cost	12.90	10.12
Past Service Cost and (gain)/loss from settlements	-	6.18
Actuarial (Gains)/losses arising from changes in financial assumptions	1.98	7.03
Actuarial (Gains)/losses arising from experience assumptions	5.62	0.41
Benefits paid	(39.28)	(8.67)
Closing defined benefit obligation	**170.14**	**175.45**

26.3 Mortality

It is assumed that the active members of the scheme will experience in-service mortality in accordance with the Indian Assured Lives Mortality (2006-08). A sample pick from this table is given below:

Age	Mortality Rate
21	0.0009190
22	0.0009430
23	0.0009610
24	0.0009740
25	0.0009840

26.4 Experience adjustments **(Rs. In lakhs)**

Particulars	Amount
As on March 31, 2019	
Opening Net Liability	175.45
Expense as above	26.38
Amount Recognised in Balance Sheet	170.14
Experience gain / (loss) adjustments on plan liabilities	(7.60)
As on March 31, 2018	
Opening Net Liability	147.82
Expense as above	28.86
Amount Recognised in Balance Sheet	175.45
Experience gain / (loss) adjustments on plan liabilities	(7.44)

26.5 Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Projected Benefit Obligation on Current Assumptions	170.14	175.45
Delta Effect of +1% Change in Rate of Discounting	(4.96)	(4.67)
Delta Effect of +1% Change in Rate of Discounting	5.36	5.04
Delta Effect of +1% Change in Rate of Salary Increase	5.31	5.01
Delta Effect of +1% Change in Rate of Salary Increase	(5.00)	(4.73)
Delta Effect of +1% Change in Rate of Employee Turnover	(0.16)	(0.12)
Delta Effect of -1% Change in Rate of Employee Turnover	0.17	0.11

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

FORBES TECHNOSYS LIMITED
Notes forming part of the financial statements

27. Financial Instruments
27.1 Capital Management
The company manages its capital to ensure that the company will be able to continue as a going concern while maximising the return to stakeholder through the optimisation of the debt and equity balance.
The capital structure of the company consists of net debt (borrowings as detailed in notes 12 and 16) and total equity of the company (equity as detailed in Note 10 and 11).
The Company's Board of directors and KMP review the capital structure of the company on an annual basis. As part of the review, the committee considers the cost of capital and the risks associated with each class of capital. The gearing ratio at March 31, 2019 is 3.45 (see below) and the company wishes to improve the ratio over the period of time.

27.1.1 Debt-Equity Ratio
The Debt-Equity ratio at the end of the reporting period was as follows: **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
	Rupees	Rupees
Paid-up debt capital (Refer Note (i) Below)	8,837.91	10,062.87
Equity (Refer Note (ii) Below)	2,558.95	1,591.44
Net debt to equity ratio	3.45	6.32

Notes:
(i) Debt is defined as Long-term borrowings and Current maturities of long term borrowings (Refer note 12 and 16)
(ii) Equity is defined as Equity Share Capital and Other Equity (Refer note 10 and 11)

27.2 Categories of financial instruments **(Rs. In lakhs)**

Particulars	As on March 31, 2019	As on March 31, 2018
	Rupees	Rupees
Financial Assets		
Measured at Amortised cost		
(a) Cash and bank balances	491.04	261.07
(b) Other financial assets at amortised cost		
(i) Other Financial assets	156.38	175.28
(ii) Other loans		
(iii) Trade receivables	6,059.42	5,563.83
Total	**6,706.84**	**6,000.18**

Financial Liabilities		
Measured at Amortised cost		
(i) Other Financial liabilities	3,994.11	2,070.45
(ii) Borrowings	12,123.24	13,288.38
(iii) Trade Payables	4,185.99	3,160.01
Total	**20,303.34**	**18,518.84**

27.3 Financial Risk Management Objectives
The Company sells goods and provides services to the business in domestic markets and procures goods and services from domestic as well as international markets. The Management monitors and manages the financial risks relating to the operations of the company by analysing exposures by degree and magnitude of risks. These risks include market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

27.4 Market Risk
The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (see note 27.5 below) and interest rates (see note 27.6 below).

27.5 Foreign currency risk management

The Company Undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the end of the reporting period are as follows:

(Rs. In lakhs)

Currencies	March 31, 2019		March 31, 2018	
	Trade payables		Trade payables	
	Foreign Currency	Rupees	Foreign Currency	Rupees
USD	0.88	60.87	2.41	169.48
EURO	-	-	0.47	38.72

27.5.1 Foreign Currency Sensitivity Analysis
The company is mainly exposed to USD and EURO. The following table details the Group's sensitivity to a 5% increase and decrease in the Rupees against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items (Trade Receivables and Trade Payables) and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the Rupee strengthens 5% against the relevant currency. For a 5% weakening of the Rupee against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

March 31, 2019 **(Rs. In lakhs)**

Currencies	Increase/ Decrease	Total Liabilities in Foreign Currency	Change in Exchange rate	Impact on Profit or (Loss) for the Year

USD	Increase by 5%	0.88	3.46	(3.04)
USD	Decrease by 5%	0.88	(3.46)	3.04

March 31, 2018 **(Rs. In lakhs)**

Currencies	Increase/ Decrease	Total Liabilities in Foreign Currency	Change in Exchange rate	Impact on Profit or (Loss) for the Year
USD	Increase by 5%	2.41	3.52	(8.48)
USD	Decrease by 5%	2.41	(3.52)	8.48
EURO	Increase by 5%	0.47	4.12	(1.94)
EURO	Decrease by 5%	0.47	(4.12)	1.94

27.6 Interest rate risk management
The Company is exposed to interest rate risk because entities borrow funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management (refer note 27.8) section.

27.6.1 Interest rate sensitivity analysis
The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's Profit for the year ended March 31, 2019 would increase/decrease by Rs. 18.13 Lakhs (for the year ended March 31, 2018: increase/decrease By Rs. 23.88 Lakhs). This is mainly attributable to the company's exposure to interest rate on its variable rate borrowings.

27.7 Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company only transacts with entities that are assessed as creditworthy.
Trade receivables consists of a large number of customers, spread across diverse industries. The major parties under trade receivables are banks and government where the risk of default is negligible (Refer Note 8). Ongoing credit evaluation is performed on the financial condition of accounts receivable.

27.8 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium - term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate banking facilities, obtaining inter-corporate deposits and capital contribution from its Holding Company, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note 27.8.2 below sets out details of additional undrawn facilities that the company has at its disposal to further reduce liquidity risk.

27.8.1 Liquidity and interest risk tables

Expected maturity for Non-derivative financial liability
The following table details the company's remaining contractual maturity for the non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flow of financial liabilities based on the earliest date on which the company may be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the company may be required to pay.

(Rs. In lakhs)

Particulars	Interest Rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2019					
Non-interest bearing					
Trade payables		4,185.99	-	-	**4,185.99**
Security deposits		62.35	-	-	**62.35**
Variable interest rate instruments					
Axis bank - Term Loan II	10.20% - 10.25%	575.00	-	-	**575.00**
Yes bank -Term Loan	10.25% - 10.75%	613.82	900.00	-	**1,513.82**
DCB bank - Working Capital Loan	10.24% - 10.74%	166.68	333.32	-	**500.00**
Axis -Cash Credit	10.20% - 10.70%	2,244.14	-	-	**2,244.14**
DCB -Cash Credit	10.24% - 10.74%	2,394.65	-	-	**2,394.65**
Fixed interest rate instruments					
Debenture - India bulls	10.38%	2,506.18	-	-	**2,506.18**
Debenture - Axis Bank	9.9%-10.50%	70.08	3,480.57	-	**3,550.65**
Loans from related parties - I					**-**
Lucrative Properties Pvt. Ltd.	12.50%	268.35	-	-	**268.35**
Forbes & Company	10.80%	8.44	-	-	**8.44**
Shapoorji Pallonji and Co. Pvt. Ltd.	10.5% -11.50%	2,204.79	-	-	**2,204.79**
					(Rs. In lakhs)

Particulars	Interest Rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2018					
Non-interest bearing					
Trade payables		3,160.01	-	-	**3,160.01**
Security deposits		73.60	-	-	**73.60**
Variable interest rate instruments					
Axis bank - Term Loan II	10.00%	659.98	600.80	-	**1,260.78**
Yes bank -Term Loan	9.80%	773.95	1,677.63	-	**2,451.58**
DCB bank	11.00%	622.01	-	-	**622.01**
Axis -Cash Credit	10.00%	2,104.57	-	-	**2,104.57**
DCB -Cash Credit	10.25%	2,692.94	-	-	**2,692.94**
Fixed interest rate instruments					
Debenture - India bulls	10.38%	259.50	2,760.21	-	**3,019.71**
Debenture - Axis Bank	9.90%	346.50	4,106.61	-	**4,453.11**
Loans from related parties - I	12.25%	245.85	-	-	**245.85**

Expected maturity for Non-derivative financial assets

The following table details the company expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial asset is necessary in order to understand the company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

(Rs. In lakhs)

Particulars	Interest rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2019					
Non-interest bearing					
Trade receivables		6,059.42	-	-	**6,059.42**
Cash and cash equivalents		427.47	-	-	**427.47**
Security deposits		43.51	-	-	**43.51**
Earnest money deposits		89.47	-	-	**89.47**
Fixed interest rate instruments					
Deposits with bank	6.25% -8.80%	63.57	23.40	-	**86.97**

(Rs. In lakhs)

Particulars	Interest rate	Less than 1 year	1-5 years	5 + years	Total
March 31, 2018					
Non-interest bearing					
Trade receivables		5,563.83			**5,563.83**
Cash and cash equivalents		209.60			**209.60**
Security deposits		61.09			**61.09**
Earnest money deposits		114.20			**114.20**
Contract Asset		69.82			**69.82**
Fixed interest rate instruments					
Deposits with bank	7.09%	54.62	39.11		**93.73**

The amount included above for variable interest instruments for both non-derivatives financial assets and liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

The company has access to financing facilities as.described in note 27.8.2 below, of which Rs.16.21 Lakhs were unused at the end of the reporting period (as at March 31, 2018: Rs.2.49 Lakhs). The Group expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

27.8.2 Financing facilities **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured bank overdraft facility:		
- Amount used	4,638.79	4,797.51
- Amount unused	161.21	2.49
	4,800.00	**4,800.00**
Secured bank term loan facility		
- Amount used	570.00	1,742.01
- Amount unused	-	-
	570.00	**1,742.01**
Unsecured bank term loan facility		
- Amount used	1,500.00	2,100.00
- Amount unused	-	-
	1,500.00	**2,100.00**
Secured working capital loan facility		
- Amount used	500.00	-
- Amount unused	-	-

	500.00	-

27.9 Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosure are required)

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their fair values.

(Rs. In lakhs)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial Assets				
Financial Assets at amortised cost:	**6,706.84**	**6,706.84**	**6,036.50**	**6,036.50**
Loans (Non-current)	-	-	-	-
Other non-current financial assets	23.40	23.40	33.59	33.59
Trade receivables	6,059.42	6,059.42	5,563.83	5,563.83
Cash and cash equivalent	427.47	427.47	209.60	209.60
Bank Balances	63.57	63.57	54.20	54.20
Other current financial assets	132.98	132.98	175.28	175.28
Financial Liabilities				
Financial Liabilities held at amortised cost:	20,303.34	20,303.34	18,518.84	18,518.84
Borrowings (Non current)	5,002.87	5,002.87	8,290.87	8,290.87
Other non-current financial liabilities	-	-	-	-
Trade payables	4,185.99	4,185.99	3,160.01	3,160.01
Borrowings (Current)	7,120.37	7,120.37	5,043.36	5,043.36
Other current financial liabilities	3,994.11	3,994.11	2,024.61	2,024.61

Fair value hierarchy **(Rs. In lakhs)**

Particulars	Fair value hierarchy as at March 31, 2019			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Financial Assets at amortised cost:	491.04	-	6,215.81	6,706.84
Other non-current financial assets	-	-	23.40	23.40
Trade receivables	-	-	6,059.42	6,059.42
Cash and cash equivalent	427.47	-	-	427.47
Bank Balances	63.57	-	-	63.57
Other current financial assets	-	-	132.98	132.98
Financial Liabilities				
Financial Liabilities held at amortised cost:	-	-	20,303.34	20,303.34
Borrowings (Non-current)	-	-	5,002.87	5,002.87
Trade payables	-	-	4,185.99	4,185.99
Borrowings (Current)	-	-	7,120.37	7,120.37
Other current financial liabilities	-	-	3,994.11	3,994.11

Fair value hierarchy **(Rs. In lakhs)**

Particulars	Fair value hierarchy as at March 31, 2018			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Financial Assets at amortised cost:	261.07	-	5,845.26	6,106.33
Other non-current financial assets	-	-	33.59	33.59
Trade receivables	-	-	5,563.83	5,563.83
Cash and cash equivalent	209.60	-	-	209.60
Bank Balances	51.47	-	-	51.47
Other current financial assets	-	-	175.28	247.84
Financial Liabilities				
Financial Liabilities held at amortised cost:	-	-	18,518.85	18,518.85
Borrowings (Non-current)	-	-	8,290.86	8,290.86
Trade payables	-	-	3,160.01	3,160.01
Borrowings (Current)	-	-	5,043.36	4,997.51
Other current financial liabilities	-	-	2,024.61	2,070.45

Note No. 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 **(Rs. In lakhs)**

Particulars	As at 31 March, 2019	As at 31 March, 2018
	Rupees	Rupees
(i) Principal amount remaining unpaid to micro, small and medium enterprises as at the end of the accounting year	470.21	354.06
(ii) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(iii) the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-

(iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	73.67	26.27
(v) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	73.67	26.27

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29 Related Party Transactions

(a) **Details of related parties:**

Description of relationship	Names of related parties
Ultimate holding company	Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)
Holding company (w.e.f 10th March 2016)	Forbes & Company Limited
Fellow Subsidiary (w.e.f 10th March 2016)	Forbes Campbell Finance Limited
Fellow Subsidiary	Eureka Forbes Limited
Fellow Subsidiary	Forbes Enviro Solutions Limited
Fellow Subsidiary	Lucrative Properties Private Limited
Fellow Subsidiary	Volkart Fleming Shipping & Services Limited
Key Management Personnel	Mr. Vinayak Prasad, Managing Director (w.e.f. December 01, 2018)
	Mr. Ajay P. Singh, Executive Director (Retired w.e.f Nov 30,2018)
Director	Mr. Pallon Mistry, Non-Executive Director
Director	Mr. Subramania Iyer Kuppuswamy, Non-Executive Director
Director	Mr. Eddie Poonawala
Director	Mr. Jai Mavani, Non-Executive Director

(b) **Details of related party transactions during the year ended March 31, 2019:**

(Rs. in lakhs)

Name of Related Party	Nature of Transactions	As at March 31, 2019	As at March 31, 2018
Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)	Services rendered Interest	769.60	-
	paid / provided Strategic	88.65	0.01
	Support Services Loan	13.16	13.31
	taken	2,180.00	30.00
	Repayment of Loan taken	55.00	30.00
	Interest on Liability Component of Compound Financial Instruments	14.64	25.77
Forbes & Company Limited	Service charges Services	108.00	141.17
	received Interest paid /	53.50	54.86
	provided	9.38	-
	Interest on Liability Component of Compound Financial Instruments	-	4.56
	Interest on Preference Shares	-	6.53
	Deposits taken Repayment of	700.00	2.00
	Deposits Reimbursement of	700.00	2.00
	expenses Issue of Preference	-	-
	shares Financial Guarantee	1,000.00	1,000.00
	Commission Financial Guarantee	-	-
	taken Financial Guarantee	-	3,500.00
	cancelled	-	2,500.00
Eureka Forbes Limited	Service charges	0.37	0.39
Forbes Enviro Solutions Limited	Services received	-	1.05
Lucrative Properties Private Limited	Interest paid / provided	25.00	24.50
Volkart Fleming Shipping & Services Limited	Interest on Liability Component of Compound Financial Instruments	-	2.45
	Issue of Preference shares	-	-
Mr. Ajay P. Singh, Executive Director	Remuneration paid / payable	153.98	162.60
	Gratuity	18.01	15.50
	Reimbursement of expenses	0.15	0.19
Mr. Vinayak Prasad, Managing Director (Appointed w.e.f. December 01, 2018)	Remuneration paid / payable	75.11	-
	Gratuity	-	-
	Reimbursement of expenses	4.24	-
	Purchase of Assets	0.61	
Mr. Pallon Mistry	Sitting Fees paid	0.20	0.60
Mr. Subramania Iyer Kuppuswamy	Sitting Fees paid	-	0.20
Mr. Eddie Poonawala	Sitting Fees paid	0.40	-
Ms. Prachi Dave	Sitting Fees paid	0.20	-
Mr. Jai Mavani	Sitting Fees paid	-	0.60

(c) **Details of related party balances outstanding as at March 31, 2019:**

(Rs. in lakhs)

Name of Related Party	Nature of Balances	As at March 31, 2019	As at March 31, 2018
Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)	Trade payables	50.23	34.97
	Deposits payable	2,125.00	-
	Trade receivables	473.13	-
	Preference Shares Classified as Compound Financial Instrument	1,000.00	1,000.00
	Interest Accrued on Debt Component of Preference Shares	166.37	151.73
	Interest accrued	79.79	0.01
Forbes & Company Limited	Trade payables	321.26	148.26
	Deposits payable	-	-
	Trade receivables	-	-
	Guarantees taken	17,920.00	17,920.00
	Preference Shares Classified as Debt	-	-
	Preference Shares Classified as Equity	6,000.00	5,000.00
	Interest Accrued on Debt Component of Preference Shares	-	806.45
	Interest accrued	8.44	-
Forbes Campbell Finance Limited	Guarantees taken	150.00	150.00
Eureka Forbes Limited	Trade payables	1.47	1.26
Forbes Enviro Solutions Limited	Trade payables	-	0.12
Lucrative Properties Private Limited	Interest accrued	68.35	45.85
	Loan payable	200.00	200.00
Volkart Fleming Shipping & Services Limited	Preference Shares Classified as Compound Financial Instrument	-	-
	Preference Shares Classified as Equity	200.00	200.00
	Interest Accrued on Debt Component of Preference Shares	-	2.64
Mr. Ajay P. Singh, Executive Director	Remuneration and Reimbursement of expenses	35.04	51.30
Mr. Vinayak Prasad, Managing Director	Remuneration and Reimbursement of expenses	2.64	-

30. Operating lease arrangements

30.1 The Company as a lessee

30.1.1 Leasing arrangements

The Company has obtained various office premises and machinery under operating lease or leave and license agreements. The Company has given refundable interest free security deposits in accordance with the agreed terms. The leases are non-cancellable for a period of one year. Either party can terminate the agreement after lock in period by giving one to three months prior notice in writing.

30.1.2 Payments recognised as an expense

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Minimum lease payments (Including amount capitalised)	116.36	77.40
Total	**116.36**	**77.40**

30.1.3 Non-cancellable operating lease commitments

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Not later than 1 year	27.12	31.16
Later than 1 year and not later than 5 years	58.38	32.59
Later than 5 years		
Total	**85.50**	**63.75**

30.2 The Company as a lessor

30.2.1 Leasing arrangements

The Company has deployed certain Data Processing Equipment (Queue Management Kiosks (QMS), Pass Book Kiosks (PBK) and CTS Scanners) at various sites under cancellable Operating Lease.

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Lease income recognised in the Statement of Profit and Loss	202.90	389.69
Total	**202.90**	**389.69**

31. Contingent liabilities:

(Rs. In lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Excise demand (Refer note below)	11.46	11.46
(b) Service Tax demand	15.67	30.87
(C) Sales Tax demand	500.89	314.16

Note :

It is not practicable for the company to estimate the closure of the above issues and the consequential timing of cash flows, if any.

32. Deferred tax balances

(Rs. In lakhs)

Particulars	As at 31-Mar-19	As at 31-Mar-18
A) Deferred Tax Assets		
Defined benefit obligation	82.94	88.75
Provision for warranty	15.77	25.66
Business losses (including unabsorbed depreciation) *	18.17	7.46
	116.88	**121.87**
B) Deferred Tax Liabilities		
Property, Plant and Equipment	(116.88)	(121.87)
	(116.88)	**(121.87)**
Net Deferred Tax Assets (A+B)	-	-

Component of Net Deferred Tax Assets as on March 31, 2019. is as follows: **(Rs. In lakhs)**

2018-19	Opening Balance	On Transactions Recognised in the Statement of Profit and Loss	On Transactions Recognised in other comprehensive Income	Closing balance
Deferred tax (liabilities) / assets in relation to				
Property, Plant and Equipment	(121.87)	5.00	- (2.11)	(116.88)
Defined benefit obligation	88.75	(3.70)	-	82.94
Provision for warranty	25.66	(9.89)		15.77
Business losses (including unabsorbed depreciation) *	7.46	8.59	2.11	18.17
Total	-	-	-	-

Component of Net Deferred Tax Assets as on March 31, 2018 is as follows: **(Rs. In lakhs)**

2017-18	Opening Balance	On Transactions Recognised in the Statement of Profit and Loss	On Transactions Recognised in other comprehensive Income	Closing balance
Deferred tax (liabilities) / assets in relation to				
Property, Plant and Equipment	(204.77)	82.90	- (2.07)	(121.87)
Defined benefit obligation	93.59	(2.77)	-	88.75
Provision for warranty	23.80	1.86		25.66
Business losses (including unabsorbed depreciation) *	87.38	(81.99)	2.07	7.46
Total	-	-	-	-

*** Note :**
The Company has restricted the recognition of deferred tax assets on account of Unabsorbed depreciation and brought forward business loss to set off the deferred tax liabilities arising on account of temporary difference arising on Property, Plant and Equipment. No Deferred tax assets has been recognised on these balance amount of unabsorbed depreciation and brought forward loss in the absence of virtual certainty. The company has Rs.6084.04 lakhs as unutilised business losses (Including unabsorbed depreciation)

33. Preference Share Capital

(A) Details of Preference Share Capital **(Rs. In lakhs)**

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Rupees	No. of shares	Rupees
a) Authorised share capital				
Preference Shares of Rs. 10 each.	72,000,000	7,200.00	62,000,000	6,200.00
b) Issued, subscribed and fully paid:				
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each	62,000,000	6,200.00	52,000,000	5,200.00
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each	10,000,000	1,000.00	10,000,000	1,000.00
Total	**72,000,000**	**7,200.00**	**62,000,000**	**6,200.00**

i) Reconciliation of the number of Preference shares and amount outstanding at the beginning and at the end of the reporting period:

(Rs. In lakhs)

Particulars	No. of shares	Amount
8% Cumulative Optionally Convertible Redeemable Preference Shares		
Balance as at April 01, 2017	2,000,000	200.00
Less : Reclassified during the year	(2,000,000)	(200.00)
Balance as at March 31, 2018	-	-
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each		
Balance as at April 01, 2017	10,000,000	1,000.00
Fresh issue	-	-
Balance as at March 31, 2018	**10,000,000**	**1,000.00**
Fresh issue	-	-
Balance as at March 31, 2019	**10,000,000**	**1,000.00**
10% Cumulative Compulsory Convertible, Optionally Redeemable Preference Shares of Rs. 10 each		
Balance as at April 01, 2017	20,000,000	2,000.00
Less : Reclassified during the year	(20,000,000)	(2,000.00)
Balance as at March 31, 2018	-	-
10% Non Cummulative, Non-convertible, Non Participating Redeemable preference shares of Rs. 10 each.		
Balance as at April 01, 2017	2,000,000	200.00
Less : Reclassified during the year	(2,000,000)	(200.00)
Balance as at March 31, 2018	-	-
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each		
Balance as at April 01, 2017	-	-
Add : Reclassified during the year	42,000,000	4,200.00
Fresh issue	10,000,000	1,000.00
Balance as at March 31, 2018	**52,000,000**	**5,200.00**
Add : Reclassified during the year	-	-
Fresh issue	10,000,000	1,000.00
Balance as at March 31, 2019	**62,000,000**	**6,200.00**

33. Preference Share Capital (Contd...)

(i) Rights attached to 10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares.

a) The preference shares shall be Redeemed at the option of the Company at par in accordance with Section 55 of the Companies Act, 2013 out of profits available for distribution as dividend or out of fresh issue of shares made for the purpose of redemption.

b) Entitled for 10% dividend on preferential basis.

c) Voting Right only for matters which directly affects the rights attached to Preference shares.

(ii) Rights attached to 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares

a) The preference shares shall be redeemable at par upon the expiry of 20 years from date of allotment

b) Shall have right to dividend with Equity shareholders up to 8% after dividend of 0.1% has been paid to Equity shareholders

c) Voting Right only for matters which directly affects the rights attached to Preference shares

iii) Details of Preference shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares held	% of holding
As at March 31, 2019		
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares		
Shapoorji Pallonji & Company Pvt Ltd	10,000,000	100.00%
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares.		
Forbes & Company Limited, the Holding company	60,000,000	96.77%
As at March 31, 2018		
0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares		
Shapoorji Pallonji & Company Pvt Ltd	10,000,000	100.00%
10% Non Cummulative, Optionally Redeemable Compulsory Convertible Preference Shares.		
Forbes & Company Limited, the Holding company	50,000,000	96.15%

33. Preference Share Capital (Contd…)

(B) Compound Financial Instruments

The preference shares contain two components: liability and equity. The equity component is presented in equity under the heading of "Other Equity". The effective interest rate of the liability component on initial recognition is 8% per annum (for Preference shares issued prior to March 31, 2016) and 10% per annum (for preference shares issued in 2016-2017).

Details of Compound Financial Instruments: **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
On May 14, 2010, the company issued 1,00,00,000 8% Cumulative Optionally Convertible Redeemable Preference Shares of Rs. 10 each which were converted to 0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each during the year 2014-15. Redemption may occur on May 13, 2030 at Rs. 10 each.	1,000.00	1,000.00

Break up of Compound Financial Instrument into Equity & Liability: **(Rs. In lakhs)**

Particulars	As at March 31, 2019	As at March 31, 2018
Proceeds from issue	1,000.00	1,000.00
Liability component at the date of issue	105.58	105.58
Equity Component	**894.42**	**894.42**
Liability component including interest accrued thereon (included in "Non-current borrowings" (note 12))	**288.98**	**256.13**

34. Note on going concern:

The Company has accumulated losses of Rs. 8,244.89 lakhs and its current liabilities exceeded current assets by Rs.4,937.76 lakhs as at the March 31, 2019. However, as at March 31, 2019, the Company has a positive networth of Rs. 2,558.95 Lakhs. The Company has made a profit before tax of Rs. 10.86 lakhs in the current year, as compared to a loss before tax of Rs. 1,200.40 lacs in the previous year. In addition, the Holding Company has infused capital of Rs. 1,000 lakhs in the Company during the current year. The Company is confident of refinancing or meeting repayment of the borrowings maturing in the next 12 months, either from internal accruals or from financial support from the Holding Company. The continuity of the operations of the Company is dependent upon the continued operational and financial support of the Holding Company namely Forbes and Company Limited. Based on the reasons stated above, and such operational and financial support from the Holding Company, the financial statements have been prepared on a going concern basis.

35. Events after the reporting period:

No Material events have occurred after the Balance Sheet Date and upto the approval of Financial Statements.

36. Approval of Financial Statements

Financial statements were approved on May 6, 2019 by the board of directors

37. Previous year figures

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Previous year figures were audited by another firm of Chartered Accountants (Preceding Auditors).

For and on behalf of the Board of Directors

Mr. Vinayak Prasad ________________________
Managing Director & CEO

Mr. Pallon S Mistry ________________________
Director

Mr. Jai Mavani ________________________
Director

Mr. Kuppuswamy Subramania_______________
Director

Mr. Eddie Dady Poonawala_________________
Director

Ms. Prachi N. Dave__________________
Director

Mr. Vijay K. Lahoti ________________________
Chief Financial Officer

Ms. Rupa Khanna _____________________________
Company Secretary

Place : Mumbai
Date : May 6, 2019

LIAG TRADING & INVESTMENT LIMITED
(a wholly owned subsidiary of Lux International AG)

Financial Statements
For the Year ended December 31, 2018

KPMG AG
Audit
Badenerstrasse 172
CH-8004 Zurich

PO Box
CH-8036 Zurich

Telephone +41 58 249 31 31
Fax +41 58 249 44 06
www.kpmg.ch

Independent practitioner's review report to the Board of Directors of

LIAG Trading and Investments Ltd (Dubai)

We have reviewed the accompanying financial information of LIAG Trading and Investments Ltd (Dubai), which comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and a summary of significant accounting policies of Lux Group and other explanatory information (on pages 1 to 4).

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2018 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group as stated in the in the explanatory information to this financial information.

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of LIAG Trading and Investments Ltd (Dubai) in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2018, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than LIAG Trading and Investments Ltd (Dubai), Lux International AG (Switzerland) and Eureka Forbes Limited (India).

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yvonne Lingg
Licensed Audit Expert

Zurich, 14 March 2019

Enclosure:
- Financial information (balance sheet, income statement and a summary of significant accounting policies and other explanatory information (on pages 1 to 4)

LIAG Trading & Investments Ltd
Balance Sheet

PARTICULARS	2018 USD	2018 INR Lakhs	2017 USD	2017 INR Lakhs
Assets				
Cash and bank balances	14,000	9.72	77,000	49.06
Cash in transit	-	-	-	-
Restricted Cash in general	-	-	-	-
Marketable securities (short-term)	-	-	-	-
Restricted marketable securities in general	-	-	-	-
Short-term deposits (< 90 days)	-	-	-	-
TOTAL CASH & - EQUIVALENT	**14,000**	**9.72**	**77,000**	**49.06**
Total Trade receivables gross	10,000	6.94	230,000	146.54
Total Other receivables TP gross	30,000	20.83	111,000	70.72
Less bad debts allowances	-	-	-	-
Total Other receivables TP net	**40,000**	**27.78**	**341,000**	**217.27**
Receivables RP gross	-	-	-	-
Less bad debts allowances RP	-	-	-	-
TOTAL RECEIV. NET RP	-	-	-	-
Receivables IC gross	6,220,000	4,319.13	2,803,000	1,785.93
Less bad debts allowances IC	-	-	-	-
TOTAL RECEIV. NET IC	**6,220,000**	**4,319.13**	**2,803,000**	**1,785.93**
Total Hire Purchase short-term gross	-	-	-	-
Total Short Credits	-	-	-	-
Less provision for unearned Hire-Purchase	-	-	-	-
Less bad debts allowances	-	-	-	-
Refundable Sales Tax	-	-	-	-
TOTAL RECEIVABLES NET	-	-	-	-
TOTAL RECEIVABLES	**6,260,000**	**4,346.91**	**3,144,000**	**2,003.19**
Raw Materials	-	-	-	-
Semi finished products	-	-	-	-
Finished products gross	-	-	-	-
Less inventory allowances finished products	-	-	-	-
Demo Units	-	-	-	-
Aeroguard	-	-	-	-
Less inventory allowances Aeroguard	-	-	-	-
Goods in transit	-	-	-	-
Less inventory allowances Others	-	-	-	-
TOTAL INVENTORIES NET	-	-	-	-
Accrued income & Prepaym. TP	4,000	2.78	4,000	2.55
Accrued income & Prepaym. RP	-	-	-	-
Accrued income & Prepaym. IC	-	-	-	-
TOTAL ACCR. INCOME & PREPAYM.	**4,000**	**2.78**	**4,000**	**2.55**
TOTAL CURRENT ASSETS	**6,278,000**	**4,359.41**	**3,225,000**	**2,054.80**
Long-term loans TP gross	-	-	-	-
Less Value adj. - Long-term loans TP	-	-	-	-
TOTAL LOANS TP NET	-	-	-	-
Hire Purchase Long-term gross	-	-	-	-
Less Value adj. - hire Purchase Long-term	-	-	-	-
TOTAL HIRE PURCHASE LONG-TERM NET	-	-	-	-
Other investments TP gross	-	-	-	-
Less value-adjustments - Other invest TP	-	-	-	-
OTHER INVESTMENTS TP NET	-	-	-	-
Long-term loans RP gross	-	-	-	-
Less value adj. Long-term loans RP	-	-	-	-
TOTAL LOANS RP NET	-	-	-	-
Long-term loans IC gross	-	-	-	-
Less value adj long-term loans IC	-	-	-	-
TOTAL LONG-TERM LOANS IC NET	-	-	-	-
Investments in companies - IC & RP gross	-	-	-	-
Less value-adjustments - Investments in companies IC & RP	-	-	-	-
TOTAL INVESTMENTS IN COMPANIES IC & RP NET	-	-	-	-
TOTAL FINANCIAL ASSETS	-	-	-	-
TREASURY SHARES	-	-	-	-
Furniture, fixtures & office equipm.	-	-	-	-
Plant & Machinery	-	-	-	-
Plant & Machinery (finance lease)	-	-	-	-
Motor vehicles	-	-	-	-
Land and Buildings	-	-	-	-
Improvements	-	-	-	-
Leasehold improvements	-	-	-	-
Other equipment	-	-	-	-
TOTAL FIXED TANGIBLE ASSETS	-	-	-	-
Patents, labels and licences	-	-	-	-
Goodwill / Badwill	-	-	-	-
Other intangible assets	-	-	-	-
TOTAL INTANGIBLE ASSETS	-	-	-	-
Deferred tax assets	-	-	-	-
TOTAL NON-CURRENT ASSETS	-	-	-	-
TOTAL	**6,278,000**	**4,359.41**	**3,225,000**	**2,054.80**

LIAG Trading & Investments Ltd
Balance Sheet

PARTICULARS	2018 USD	2018 INR Lakhs	2017 USD	2017 INR Lakhs
Liability & Equity				
Bank overdrafts	-	-	-	-
Bank liabilities - due within 1 year	-	-	-	-
Cash in transit	-	-	-	-
BANK OVERDRAFTS	-	-	-	-
Current liabilities from refinancing	-	-	-	-
Current liabilities accounts external	38,000	26.39	32,000	20.39
Cur. liab. against public instit./ health insurance	-	-	-	-
Value added tax (VAT) payable	-	-	-	-
Withholding tax payable	-	-	-	-
Social security premiums	-	-	-	-
Income tax liabilities	-	-	-	-
Current liabilities against employees / salesforce	-	-	-	-
Commissions for agents	-	-	-	-
Personnel	-	-	-	-
Other current liabilities TP	-	-	-	-
Advances from customer	-	-	-	-
Current liabilities accounts RP	3,124,000	2,169.29	1,562,000	995.23
Current liabilities accounts IC	2,555,000	1,774.18	1,454,000	926.41
CURRENT LIABILITIES	5,717,000	3,969.85	3,048,000	1,942.03
Accrued exp. and prepaid income TP	-	-	-	-
Accrued exp. and prepaid income RP	-	-	-	-
Accrued exp. and prepaid income IC	-	-	-	-
TOTAL ACCRUED EXP. AND PREP. INCOME	-	-	-	-
Provision for restructuring (short-term)	-	-	-	-
Provision for human resource (short-term)	-	-	-	-
Provision for taxes (short-term)	-	-	-	-
Other provision (short-term)	-	-	-	-
TOTAL PROVISIONS (short-term)	-	-	-	-
TOTAL CURRENT LIABILITIES	5,717,000	3,969.85	3,048,000	1,942.03
Provision for pensions (long-term)	-	-	-	-
Provision for guarantees (long-term)	-	-	-	-
Provision for restructuring (long-term)	-	-	-	-
Provision for human resource (long-term)	-	-	-	-
Provision for taxes (long-term)	-	-	-	-
Other provision (long-term)	-	-	-	-
TOTAL PROVISIONS (long-term)	-	-	-	-
Bank debts (long-term)	-	-	-	-
Other non-current liabilities TP	-	-	-	-
Shareholder loans	-	-	-	-
Finance lease liability (long-term)	-	-	-	-
Long-term loans payable RP	-	-	-	-
Long-term loans payable IC	-	-	-	-
Other long-term liabilities	-	-	-	-
OTHER NON-CURRENT LIABILITIES	-	-	-	-
Deferred tax liabilities	-	-	-	-
TOTAL NON-CURRENT LIABILITIES	-	-	-	-
Share capital	28,000	18.18	28,000	18.18
Capital reserves				
Revenue Reserves	-	-	-	-
Equity Bond	-	-	-	-
Reserves for own shares	-	-	-	-
Revaluation reserves	-	-	-	-
Untaxed reserves	-	-	-	-
Minority interests: equity ./. result	-	-	-	-
Minority interests: result current period	-	-	-	-
Retained earnings	150,000	54.26	65,000	44.22
Dividend Paid to Parent Co	(1,000,000)	(687.24)	(1,300,000)	(839.77)
FCTR	-	53.90	-	(3.89)
Profit (Loss)	1,383,000	950.45	1,384,000	894.03
rounding difference / CTA	-	-	-	-
Total equity	561,000	389.56	177,000	112.78
TOTAL	6,278,000	4,359.41	3,225,000	2,054.80
	-	-	-	-

LIAG Trading & Investments Ltd
Profit & Loss Statement

	PARTICULARS	2018 USD	2018 INR Lakhs	2017 USD	2017 INR Lakhs
30099	Gross Sales Products, external	196,000	134.70	508,000	328.16
30011	Sales - Direct Sales - Invoice/short credit - to TP	196,000	134.70	508,000	328.16
30199	**Net Sales,External**	**196,000**	**134.70**	**508,000**	**328.16**
30300	- Net Sales, Sales to Group -> AC03-A	4,861,000	3,340.66	4,052,000	2,617.49
	Net Sales,Total	5,057,000	3,475.36	4,560,000	2,945.65
30299	Landed Cost - external	(1,333,000)	(916.09)	(1,479,000)	(955.40)
30201	Cost Direct Sales ex Factory	(1,333,000)	(916.09)	(1,479,000)	(955.40)
	Gross Profit,External	(1,137,000)	(781.39)	(971,000)	(627.24)
30400	Landed Cost Sales to Group	(2,077,000)	(1,427.39)	(1,848,000)	(1,193.76)
30401	Landed Cost Sales to Related parties -> AC03-A	(2,077,000)	(1,427.39)	(1,848,000)	(1,193.76)
	Gross Profit,Internal	2,784,000	1,913.27	2,204,000	1,423.73
	Gross Profit	1,647,000	1,131.88	1,233,000	796.49
ADMINISTRATION					
32100	Administration Staff	-	-	-	-
32120	Administration, travel exp	-	-	-	-
32199	TOTAL ADMIN STAFF	-	-	-	-
32203	Consultancy	(2,000)	(1.37)	(1,000)	(0.65)
32204	Other Administration expenses	-	-	-	-
32299	TOTAL ADMIN OTHERS	**(2,000)**	**(1.37)**	**(1,000)**	**(0.65)**
32999	TOTAL ADMIN EXPENSES	(2,000)	(1.37)	(1,000)	(0.65)
33504	Expenses for Services - Group	(36,000)	(24.74)	(102,000)	(65.89)
33505	Expenses for Services - Rel. Parties -> AC03-A	-	-	-	-
	LUX OPERATING RESULT BEFORE CDS	1,609,000	1,105.77	1,130,000	729.95
	CREDIT DIRECT SALES (CDS)				
0	EXTRAORD. OPERATING EXPENSE / INCOME				
35100	Exchange diff. real.	(80,000)	(54.98)	131,000	84.62
35101	Exchange diff. unreal.	(142,000)	(97.59)	104,000	67.18
35200	Prior period adjustment	-	-	24,000	15.50
35999	TOT. EXTRAORD. OPER. EXP./ INC	(222,000)	(152.57)	259,000	167.31
	LUX OPERATING RESULT II	1,387,000	953.20	1,389,000	897.26
37500	Bank fees	(4,000)	(2.75)	(5,000)	(3.23)
37999	TOTAL FINANCIAL RESULT	(4,000)	(2.75)	(5,000)	(3.23)
	LUX RESULT PRE TAX	1,383,000	950.45	1,384,000	894.03
	LUX NET RESULT	1,383,000	950.45	1,384,000	894.03

Significant accounting policies of Lux Group and other explanatory information of LIAG TRADING AND INVESTMENTS LTD (DUBAI)

Basis of preparation and explanatory information

The financial information of LIAG TRADING AND INVESTMENTS LTD (DUBAI) have been prepared for purposes of providing Lux International AG and its subsidiaries (Lux Group) to enable to prepare the consolidated financial information of the group. The consolidated financial statements constitute a true and fair view of the Lux group's financial position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of LIAG TRADING AND INVESTMENTS LTD (DUBAI) is not a completed set of financial information of in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2017, and its financial performances. The financial information may, therefore not be suitable for another purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of three months or less from the balance sheet date.

Restricted cash and cash equivalents

Restricted cash and cash equivalents includes funds that are not available for on-going operations.

Accounts receivable

Accounts receivable are initially recorded at their nominal value after deduction of hire purchase charges not due. All receivables are value adjusted according to the time they are overdue.

• not due (hire purchase only)	1 %
• overdue up to one month	5 %
• overdue 1 to 2 months	25 %
• overdue 2 to 4 months	50 %
• overdue 4 to 6 months	80 %
• overdue 6 months and more	100 %

In any case, an additional provision for doubtful trade receivables is made if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Indicators that the trade receivable is impaired might be significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, financial reorganisation and default or delinquency in payments. The amount of the provision is recognised in the income statement within Net Credit Direct Sales (CDS) result.

Hire purchase (HP) charges

Charges to the customer arising from sales on credit are only reported as income to the extent that the charges are due. Unearned charges are calculated on an annuity basis over the period of the hire purchase contract.

Loans

The loans are booked at cost less additional provision for doubtful loans if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of the loan contracts.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Value adjustments are effected for obsolete stock.

Property, plant and equipment

Property, plant and equipment (tangible fixed assets) are capitalised if they can be used during more than one year. Tangible fixed assets are stated at acquisition or construction cost less accumulated depreciation using the straight-line method over the estimated useful lifetime. The following useful lifetimes are generally applied:

➢ Computer equipment	3 years
➢ Office machines	3 years
➢ Tooling and demo kits	5 years
➢ Vehicles	5 years
➢ Machines	10 years
➢ Land and improvement	15 years
➢ Buildings	20 - 40 years
➢ Leasehold improvements	period of lease

Intangible assets

Patents, licenses and trademarks

Patents, licenses and trademarks are measured initially at cost. Based on reliable cost measurements, intangible assets are recognised on the probability of the future economic benefits as well as proper attribution to the asset. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Patents, licenses and trademarks are amortised on a straight line basis over the best estimate of their useful lives but not exceeding 10 years. The amortisation periods are reviewed annually at each financial year end.

Development costs

Indirect development costs for products are expensed. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

Goodwill

The excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets acquired as at the date of the exchange transaction is recorded as goodwill and recognised as an asset in the balance sheet.

When the Group acquires additional interests in a joint venture the excess of the cost of this acquisition compared to the book value of the acquired net assets is recognized as goodwill. After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over the estimated useful life of 5 years. Any negative goodwill (badwill) resulting from the acquisition of a subsidiary or interest in a joint venture is recorded to the income statement in the period of the transaction.

Impairment of assets

The carrying amount of the Group's assets, other than inventories and receivables, are reviewed by Group management at each balance sheet date to determine whether there is any indication of impairment. The review is based on events and signs that point to possible overvaluations in book values. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement. The recoverable amount is the higher of the net selling price and value in use. An impairment loss with respect to goodwill is not reversed. In respect to other assets, an impairment loss is – fully or partially - reversed if there has been a change in the estimates used to determine the recoverable amount.

Trade liabilities

Trade liabilities include short-term and non-interest bearing liabilities resulting from ordinary business activities.

Bank debts

Borrowings are initially recognised at the proceeds received. They are subsequently carried at normal values. Bank debts are classified long term and short term.

Provisions

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

Restructuring provisions are reported in the event of any necessary reorganisation of activity sectors or newly acquired subsidiaries. Restructuring provisions comprise i.e. lease termination and employee termination payments.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, estimated returns and after elimination of sales within the Group.

Sales Commission

Sales commission is paid by product suppliers as a contribution to marketing and promotion activities.

Interest income

Interest income is recognised as it accrues on an effective yield basis, when it is determined that such income will flow to the Group.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

Assets held under finance leases are recognised as assets of the Group at their fair value. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss statement as incurred.

Management assumptions and significant estimates

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

LUX (DEUTSCHLAND) GmbH

(a wholly owned subsidiary Company of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

Note: This is a convenience translation of the German original. Solely the original text in German language is authoritative.

INDEPENDENT AUDITOR'S REPORT

To the Lux Deutschland GmbH

Audit Opinions

We have audited the annual financial statements of Lux Deutschland GmbH, which comprise the balance sheet as at 31. December 2018 and the statement of profit and loss for the financial year from 1. January to 31. December 2018and notes to the financial statements, including the presentation of the recognition and measurement policies. In addition, we have audited the management report of Lux Deutschland GmbH for the financial year 1. January to 31. December 2018.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying annual financial statements comply, in all material respects, with the requirements of German commercial law applicable to business corporations and give a true and fair view of the assets, liabilities and financial position of the Company as at 31. December 2018 and of its financial performance for the financial year 1. January to 31. December 2018 in compliance with German Legally Required Accounting Principles, and
- the accompanying management report as a whole provides an appropriate view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to § 322, subsection 3, sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the annual financial statements and of the management report.

Basis for the Audit Opinions

We conducted our audit of the annual financial statements and of the management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report" section of our auditor's report. We are independent of the Company in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and on the management report.

Responsibilities of the Executive Directors and the Supervisory Board for the Annual Financial Statements and the Management Report

The executive directors are responsible for the preparation of the annual financial statements that comply, in all material respects, with the requirements of German commercial law applicable to business corporations, and that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles. In addition, the executive directors are responsible for such internal control as they, in accordance with German Legally Required Accounting Principles, have determined necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive directors are responsible for assessing the Company's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, provided no actual or legal circumstances conflict therewith.

Furthermore, the executive directors are responsible for the preparation of the management report that as a whole provides an appropriate view of the Company's position and is, in all material respects, consistent with the annual financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures systems as they have considered necessary to enable the preparation of a management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the management report.

Auditor's Responsibilities for the Audit of the Annual Financial Statements and of the Management Report

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides an appropriate view of the Company's position and, in all material respects, is consistent with the annual financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the annual financial statements and on the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 annual financial statements and this management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements and of the management report, 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 audit opinions. 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 controls.

- Obtain an understanding of internal control relevant to the audit of the annual financial statements and of arrangements and measures systems relevant to the audit of the management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems of the Company.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' 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 the auditor's report to the related disclosures in the annual financial statements and in the management report or, if such disclosures are inadequate, to modify our respective audit opinions. 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 be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements present the underlying transactions and events in a manner that the annual financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Company in compliance with German Legally Required Accounting Principles.
- Evaluate the consistency of the management report with the annual financial statements, its conformity with German law, and the view of the Company's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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.

Fulda, 01. Februar 2019

MUTH & Co. GMBH
Wirtschaftsprüfungsgesellschaft

(Stefan Hartung)
Wirtschaftsprüfer

(Kurt Abert)
Wirtschaftsprüfer

MUTH & CO. GMBH WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT • FULDA •
WIRTSCHAFTS-PRÜFUNGS-GESELLSCHAFT
SIEGEL

Lux Deutschland GmbH
Fulda
Balance Sheet at 31 December 2018

ASSETS

	31-12-2018		31-12-2017	
	EUR	INR Lakhs	EUR	INR Lakhs
A. Non-current assets				
I. Intangible assets				
1. Industrial protection rights and similar rights and assets purchased for consideration	39,017	31.01	10,547	8.05
2. Payments on account	517,702	411.39	70,172	53.56
II. Property, plant and equipment				
1. Other operational and office equipment	174,942	139.02	127,503	97.31
III. Financial assets				
1. Shares in affiliated entities	-	-	-	-
2. Loans to affiliated entities	-	-	-	-
	731,661	581.42	208,222	158.92
B. Current assets				
I. Inventories				
1. Trading stock	219,857	174.71	308,558	235.50
II. Receivables and other assets				
1. Trade accounts receivable	1,583,346	1,258.21	2,401,471	1,832.84
2. Accounts receivable from affiliated entities	2,282,335	1,813.67	1,737,154	1,325.82
3. Receivable from shareholder	3,153,946	2,506.30	3,776,016	2,881.92
4. Other assets	224,738	178.59	186,831	142.59
	7,244,365	5,756.76	8,101,472	6,183.17
III. Cash on hand and and bank balances	636,397	505.72	550,087	419.84
	8,100,619	6,437.19	8,960,117	6,838.50
C. Prepaid expenses and deferred charges	33,925	26.96	63,666	48.59
D. Deferred Tax Assets	5,400	4.29	4,440	3.39
TOTAL	8,871,605	7,049.86	9,236,445	7,049.40

Shareholder equity and liabilities

	31-12-2018		31-12-2017	
	EUR	INR Lakhs	EUR	INR Lakhs
A. Shareholder equity				
I. Subscribed capital	7,153,000	6,077.19	7,153,000	6,077.19
II. Capital reserve	25,920,000	21,370.47	23,470,000	19,423.57
III. Earnings reserves	-	-	-	-
Other earnings reserves	92,054	78.21	92,054	78.21
IV. Accumulated net loss	(29,632,569)	(24,449.05)	(24,845,979)	(20,901.66)
V. Loss for the period	(2,203,159)	(1,779.22)	(4,786,591)	(3,547.39)
Foreign Currency Translation Reserve		(241.25)		(303.75)
	1,329,326	1,056.35	1,082,485	826.17
1. Tax provisions	94,525	75.11	94,525	72.14
2. Other provisions and accrued liabilities	827,100	657.26	781,200	596.22
	921,625	732.37	875,725	668.37
1. Trade accounts payable	225,086	178.87	56,174	42.87
2. Accounts payable to affiliated entities	-	-	50,825	38.79
3. Accounts payable to shareholder	-	-	-	-
4. Other liabilities	6,395,568	5,082.26	6,935,147	5,293.02
	6,620,654	5,261.13	7,042,146	5,374.68
D. Deferred income	-	-	236,089	180.19
TOTAL	8,871,605	7,049.86	9,236,445	7,049.40

Lux Deutschland GmbH
Fulda
Income statement for the year ended 31 December 2018

	31-12-2018		31-12-2017	
	EUR	INR Lakhs	EUR	INR Lakhs
1. Sales revenue	11,545,331	9,323.72	14,434,002	10,697.18
2 Other operating income	184,782	149.23	195,781	145.10
3. Cost of materials				
a) Cost of purchased trading stock	2,854,814	2,305.48	3,426,302	2,539.27
4. Personnel expenses				
a) Wages and salaries	3,098,815	2,502.53	3,612,699	2,677.41
b) Social security costs and expenses for retirement and support benefits	538,889	435.19	696,829	516.43
5. Amortisation of intangible assets and depreciation of property, plant and equipment	63,123	50.98	83,867	62.15
6. Other operating expenses	7,401,975	5,977.65	11,736,885	8,698.32
7. Income from participatory interests	-	-	-	-
–of which, from affiliated entities: EUR Nil (prior year: EUR 114,701.17)-				
8. Income (prior year: loss) from a profit or loss transfer agreement	-	-	-	-
9. Other interest and similar income				
–of which, from affiliated entities: EUR190,742.51(prior year: EUR 66,280.84)–	426,656	344.56	580,924	430.53
10. Interest and similar expenses				
–of which, from affiliated entities EUR 4,551.12 (prior year: EUR 1,311.49)-	400,496	323.43	438,846	325.23
11 Taxes on income	960	0.78	(540)	(0.40)
12 Profit after tax	(2,200,383)	(1,776.97)	(4,785,261)	(3,546.40)
13 Other taxes	(2,776)	(2.24)	(1,330)	(0.99)
14 Gain (prior year: Loss) for the period	(2,203,159)	(1,779.22)	(4,786,591)	(3,547.39)

[Translator's notes are in square brackets]

General Engagement Terms
for
Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften
[German Public Auditors and Public Audit Firms]
as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

LUX AQUA PARAGUAY SA

(a subsidiary company of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

LUX AQUA PARAGUAY S.A.

REVIEW REPORT OF THE INDEPENDENT AUDITOR

DECEMBER 31, 2018

AMARAL & ASOCIADOS

CONSULTORÍA DE NEGOCIOS Y AUDITORÍA

REVIEW REPORT OF THE INDEPENDENT AUDITOR

TO THE BOARD OF DIRECTORS OF
LUX AQUA PARAGUAY S.A.
ASUNCIÓN – PARAGUAY

Introduction

We have been engaged to review the accompanying balance sheet of LUX AQUA PARAGUAY S.A. as at 31 December 2018 and the related income statement for the year ending 31 December 2018. The Board of Directors is responsible for the preparation and presentation of this financial statements in accordance with Management Information Manual of Lux Group (Version 2011). Our responsibility is to express a conclusion on this financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2400, *Engagements to review financial statements.* A review of financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, except for the matters described below, nothing has come to our attention that causes us to believe that the balance sheet of LUX AQUA PARAGUAY S.A. as at 31 December 2018 and the related income statement for the year ending 31 December 2018 is not prepared, in all material respects, in accordance with Management Information Manual of Lux Group (Version 2011).

Exposure of balance VAT tax credit

At 31 December 2018 the balance of VAT tax credit amounting to Gs. 243 million is disclosed in the liabilities account "Value added tax (VAT) payable". This classification was made by the Company based on instructions received from Lux International AG.

Amaral & Asociados

Carlos Amaral
Partner

29, March 2019

Enclosure:

Financial Information: Balance Sheet and Income Statement (Profit & Loss Statement).

25 de mayo 1894 esq. Gral. Aquino. Asunción - Paraguay
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LUX AQUA PARAGUAY S.A.

BALANCE SHEET

	December, 31			
ASSETS	**2018 (PYG)**	**2018 (INR lakhs)**	**2017 (PYG)**	**2017 INR lakhs**
Current Assets				
Cash Balance	900	0.00	2,279,800	0.26
Balance With Banks	183,828,634	21.10	37,343,527	4.18
Investments - Temporary	-	-	-	-
Debtors	98,531,209	11.31	61,104,555	6.84
Less: Doubtful Debts	-5,306,786	-0.61	-1,300,901	-0.15
Advances	251,381,677	28.86	287,416,696	32.19
Inventories	1,119,144,725	128.48	1,394,987,055	156.24
Pre-Paid Expenses	1,508,990	0.17	802,446	0.09
Total Current assets	**1,649,089,349**	**189.32**	**1,782,633,178**	**199.65**
Non current assets				
Accounts receivables - Net	-	-	-	-
Property, Plant and Equipment - Net	1,050,330,258	120.58	813,298,343	91.09
Intangible assets	-	-	-	-
Other assets				
Total Non current assets	**1,050,330,258**	**120.58**	**813,298,343**	**91.09**
Total Assets	**2,699,419,607**	**309.89**	**2,595,931,521**	**290.74**
Liabilities				
Trade Creditors	321,370,691	36.89	582,957,176	65.29
Other Creditors	-	-	-	-
Financial Debts	-	-	-	-
Tax, salaries and social security	44,897,993	5.15	41,941,770	4.70
Labour Obligations and social charges	-	-	-	-
Accumulated Expenses to pay	-	-	-	-
Total Current liabilities	**366,268,684**	**42.05**	**624,898,946**	**69.99**
Long Term Debts from related parties	3,874,091,000	444.75	2,660,465,500	297.97
Other Payables	-	-	-	-
Provision for Long term obligations	-	-	-	-
Total Non current liabilities	**3,874,091,000**	**444.75**	**2,660,465,500**	**297.97**
Total Liabilities	**4,240,359,684**	**486.79**	**3,285,364,446**	**367.96**
EQUITY				
Capital				
Capital	100,000,000	11.58	100,000,000	11.58
Reserves				
Revaluation reserve	33,485,929	3.82	9,249,981	1.04
	33,485,929	**3.82**	**9,249,981**	**1.04**
Results	-798,682,906	-89.83	-207,967,693	-24.08
Result of the year	-875,743,100	-102.46	-590,715,213	-66.16
Foreign Currency Translation Reserve	-	-0.00	-	0.41
	-1,674,426,006	**-192.30**	**-798,682,906**	**-89.83**
Total Equity	**-1,540,940,077**	**-176.90**	**-689,432,925**	**-77.22**
Total Liabilities and Equity	**2,699,419,607**	**309.89**	**2,595,931,521**	**290.74**
	-	-	-	-

Legal Representative
Lic.Jorge Luis Ramirez Diaz
C.I. 805.1.443.462.8

Shareholder
Ricardo R Ramallo G

Accountant
C P Olga C Preido
Caceres
Ruc 3.762.311

LUX AQUA PARAGUAY S.A.

INCOME STATEMENT

		December, 31			
		2018 (PYG)	**2018 (INR lakhs)**	**2017 (PYG)**	**2017 INR lakhs**
Operating Income	1	667,968,765	78.15	416,290,745	46.62
Operating Costs	2	-38,998,411	-4.56	-41,458,448	-4.64
Other Income	3	-	-	-	-
Gross result		**628,970,354**	**73.59**	**374,832,297**	**41.98**
Sales or Commercialisation Expenses	4	-406,112,307	-47.52	-478,619,768	-53.61
Administration Expenses	5	-552,709,080	-64.67	-388,421,032	-43.50
Total Operating expenses		**-958,821,387**	**-112.18**	**-867,040,800**	**-97.11**
Net operating income		**-329,851,033**	**-38.59**	**-492,208,503**	**-55.13**
Bank and Financial Expenses	6	-449,943,845	-52.64	-72,595,782	-8.13
Depreciation & Amortisation	7	-95,948,222	-11.23	-25,337,645	-2.84
Other Non Operating Income	8	-	-	-573,283	-0.06
Result before income tax		**-875,743,100**	**-102.46**	**-590,715,213**	**-66.16**
Income tax			-		-
Net result		**-875,743,100**	**-102.46**	**-590,715,213**	**-66.16**

Legal Representative
Lic.Jorge Luis Ramirez Diaz
C.I. 805.1.443.462.8

Shareholder
Ricardo R Ramallo G

Accountant
C P Olga C Preido
Caceres
Ruc 3.762.311

	December, 31			
	2018 (PYG)	2018 (INR lakhs)	2017 (PYG)	2017 INR lakhs
1. Operating Income				
Sales of Merchandise -				
Sales of Merchandise Taxed by VAT	60,145,818	7.04	68,945,662	7.72
Sales of Merchandise exempt by VAT	-	-	-	-
Sales of Taxed Services	345,454	0.04	36,364	0.00
Rental Products	610,985,349	71.49	354,700,171	39.73
Sale of Spares and accessories	18,745,234	2.19	2,247,274	0.25
(-) Granted Discounts	-6,732,725	-0.79	-9,638,726	-1.08
(-) Returns	-15,520,365	-1.82	-	-
Total Operating Income	**667,968,765**	**78.15**	**416,290,745**	**46.62**
2. Operative Costs				
Cost of Merchandise Taxed by VAT	-	-	-	-
Cost of Merchandise Exempt by VAT	-25,319,715	-2.96	-40,501,278	-4.54
Other Cost of Spare Parts	-13,678,696	-1.60	-957,170	-0.11
Total Operative Costs	**-38,998,411**	**-4.56**	**-41,458,448**	**-4.64**
3. Other Income				
Earned Interests	-	-	-	-
Other Income on Sales	-	-	-	-
Total Other Income	-	-	-	-
4. Sales or Commercialisation Expenses				
Salaries	-104,564,922	-12.23	-177,766,000	-19.91
Employee Contribution	-24,954,590	-2.92	-33,411,136	-3.74
Other Benefits to Staff	-37,604,275	-4.40	-26,184,900	-2.93
Prizes and Motivations to Staff	-	-	-	-
Vacations	-	-	-	-
Bonus	-	-	-	-
Paid Commission on Sales	-39,404,235	-4.61	-58,379,774	-6.54
Bonus Payment to Salesmen	-801,772	-0.09	-	-
Publicity and Propaganda	-35,334,819	-4.13	-26,012,926	-2.91
Paid Freight	-	-	-	-
Sales Vehicle Fuel	-	-	-	-
Sales Vehicle Repair	-	-	-	-
Other costs of sales vehicles	-	-	-	-
Training , Coaching	-	-	-	-
Other non deductible sales Expenses	-17,529,496	-2.05	-	-
Other Sales Expenses	-145,918,198	-17.07	-156,865,032	-17.57
Total Sales or Commercialisation Expenses	**-406,112,307**	**-47.52**	**-478,619,768**	**-53.61**
5. Administration Expenses				
Wages & Salaries	-117,916,071	-13.80	-19,446,200	-2.18
Employer Contribution	-17,822,213	-2.09	-8,065,200	-0.90
Vacations - Administration	-	-	-	-
Bonus Administration	-25,110,574	-2.94	-1,321,667	-0.15
Family Bonus Administration	-	-	-	-
Paid Commissions	-	-	-	-
Other Benefits	-	-	-	-
Total Salaries and Other Remunaration	-160,848,858	-18.82	-28,833,067	-3.23
Superior Remuneration	-166,400,000	-19.47	-158,400,000	-17.74
Professional Fees	-139,133,047	-16.28	-132,856,956	-14.88
Rentals	-29,691,432	-3.47	-27,217,145	-3.05
Water, Electricity, Telephone & Internet	-5,682,272	-0.66	-3,485,801	-0.39
Mobility	-	-	-	-
Fuel and Lubricants	-400,000	-0.05	-	-
Repairs and Maintenance	-13,780,455	-1.61	-5,042,729	-0.56
Paid Insurance	-5,838,910	-0.68	-1,652,099	-0.19
Office Supplies	-3,763,263	-0.44	-4,342,938	-0.49
Expenses Paid Abroad	-	-	-	-
Judgements and Judicial Expenses	-	-	-	-
Collection Expenses	-24,955,710	-2.92	-1,300,900	-0.15
Low Inventories	-	-	-	-
General Expenses	-	-	-	-
External Audit Fees	-	-	-	-
Representation Expenses	-	-	-10,107,218	-1.13
Commercial Patents	-	-	-	-
Real Estate Tax	-	-	-	-
VAT Deductible Cost	-	-	-	-
Fines and Recharges	-	-	-	-

Reserve of the Exercise	-	-	-	-
Tax on royalties,interests,freight and Insurance	-	-	-	-
Computing Expenses	-	-	-	-
Other Taxes	-2,215,133	-0.26	-15,182,179	-1.70
Total Administration Expenses	**-552,709,080**	**-64.67**	**-388,421,032**	**-43.50**

	December, 31			
	2018 (PYG)	**2018 (INR lakhs)**	**2017 (PYG)**	**2017 INR lakhs**
6. Bank and Financial Expenses				
Interests to Bank and Financial Entities	-236,855,236	-27.71	-72,279,135	-8.10
Other Paid Interest	-2,557,256	-0.30	-2,873,056	-0.32
Result of Exchange Rate Difference	-210,531,353	-24.63	2,556,409	0.29
Royalties	-	-	-	-
Total Bank and Financial Expenses	**-449,943,845**	**-52.64**	**-72,595,782**	**-8.13**
7. Depreciation and Amortisation of Assets				
Depreciations of the Exercise	-91,609,549	-10.72	-23,541,772	-2.64
Amortisations of the Exercise	-4,338,673	-0.51	-1,795,873	-0.20
Total Depreciation and Amortisation	**-95,948,222**	**-11.23**	**-25,337,645**	**-2.84**
8. Other Non Operating Income				
Profit / Loss for Sale of Fixed Assets	-	-	-573,283	-0.06
Profit / Loss for Sale of Investment Sale	-	-	-	-
Other Income	-	-	-	-
Total Other Non operating Income	**-**	**-**	**-573,283**	**-0.06**

LUX DEL PARAGUAY SA

(a subsidiary company of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

C.05N Audit Report

Independent Auditors' Report on Special Purpose Financial Information Prepared for Consolidation Purposes to KPMG, Zurich

As requested in your instructions of Lux Group, we have audited, for purposes of your audit of the consolidated financial statements of Lux International AG, the accompanying special purpose financial information of Lux del Paraguay S.A. as of 31 December 2018 and for the year then ended of the accompanying financial reporting package of Lux International AG. This special purpose financial information has been prepared solely to enable Lux International AG to prepare its consolidated financial statements.

Management's Responsibility for the Special Purpose Financial Information

Management is responsible for the preparation of this special purpose financial information in accordance with policies and instructions contained in Lux International's accounting manual and for such internal control as management determines is necessary to enable the preparation of special purpose financial information that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on this special purpose financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. International Standards on Auditing require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the special purpose financial information is free from material misstatement. ***As requested by you, we planned and performed our audit using the materiality level specified in your instructions, which is different than the materiality level that we would have used had we been designing the audit to express an opinion on the special purpose financial information of the component alone.***

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special purpose financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special purpose financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the special purpose financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the special purpose financial information.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. ***The conclusions reached in forming our opinion are based on the component materiality level specified by you in the context of the audit of the consolidated financial statements of the group.***

Opinion

In our opinion, the accompanying special purpose financial information for Lux del Paraguay S.A. as of 31 December 2018 and for the year then ended has been prepared, in all material respects, in accordance with the policies and instructions contained in Lux International's accounting manual.

Restriction on Use and Distribution

This special purpose financial information has been prepared for purposes of providing information to Lux International AG to enable it to prepare the consolidated financial statements of the group. As a result, the special purpose financial information is not a complete set of financial statements of Lux del Paraguay S.A. in accordance with Swiss GAAP FER and its not intended to present fairly, in all material respects the financial positions of de Lux del Paraguay S.A. as of 31 December 2018, and of its financial performance, and its cash flows for the year then ended in accordance with Swiss GAAP FER. The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for KPMG, Zurich and should not be used by (or distributed to) other parties.

Name of responsible auditor: Carlos Amaral

Signature: ....

Asunción, February 1, 2019

Enclosure:

- Financial information (Forms: balance sheet, income statement, statement of changes in equity, cash flow statement, ageing overview, intercompany specification, specification for related parties and notes)

LUX DEL PARAGUAY S.A.

BALANCE SHEET

	December, 31			
ASSETS	**2018 (PYG)**	**2018 (INR)**	**2017 (PYG)**	**2017 (INR)**
Current Assets				
Cash Balance	543,730,836	62.42	527,969,360	59.13
Balance With Banks	519,375,129	59.62	904,926,917	101.35
Investments - Temporary	103,524,850	11.88	103,524,850	11.59
Debtors	21,056,446,730	2,417.28	20,340,273,122	2,278.11
Less: Doubtful Debts	-1,326,213,801	-152.25	-1,190,863,220	-133.38
Advances	1,395,339,500	160.18	1,374,218,874	153.91
Inventories	6,479,751,562	743.88	8,328,994,681	932.85
Pre-Paid Expenses	179,649,667	20.62	229,050,208	25.65
Total Current assets	**28,951,604,473**	**3,323.64**	**30,618,094,792**	**3,429.23**
Non current assets				
Accounts receivables - Net	395,940,506	45.45	366,094,322	41.00
Property, Plant and Equipment - Net	1,787,732,335	205.23	1,746,726,242	195.63
Intangible assets	2,500,000	0.29	2,500,000	0.28
Other assets				
Total Non current assets	**2,186,172,841**	**250.97**	**2,115,320,564**	**236.92**
Total Assets	**31,137,777,314**	**3,574.62**	**32,733,415,356**	**3,666.14**
Liabilities				
Trade Creditors	5,201,457,669	597.13	5,437,680,896	609.02
Other Creditors	400,052,859	45.93	261,723,620	29.31
Financial Debts	2,441,682,955	280.31	3,554,186,927	398.07
Tax, salaries and social security	661,005,160	75.88	594,757,458	66.61
Labour Obligations and social charges	1,154,831,279	132.57	726,062,375	81.32
Accumulated Expenses to pay	58,392,334	6.70	33,993,318	3.81
Total Current liabilities	**9,917,422,256**	**1,138.52**	**10,608,404,594**	**1,188.14**
Long Term Debts from related parties	17,755,350,000	2,038.31	16,969,568,000	1,900.59
Other Payables	-	-	8,737,435	0.98
Provision for Long term obligations	2,034,533	0.23	2,034,533	0.23
Total Non current liabilities	**17,757,384,533**	**2,038.55**	**16,980,339,968**	**1,901.80**
Total Liabilities	**27,674,806,789**	**3,177.07**	**27,588,744,562**	**3,089.94**
EQUITY				
Capital				
Capital	5,000,000,000	558.50	5,000,000,000	558.50
Reserves	643,470,823	71.88	643,470,823	71.88
Revaluation reserve	453,696,072	51.14	398,529,881	44.81
	1,097,166,895	**123.02**	**1,042,000,704**	**116.69**
Results	-897,329,910	-98.98	745,924,265	110.58
Result of the year	-1,736,866,460	-203.21	-1,643,254,175	-184.04
Foreign Currency Translation Reserve		18.23		-25.52
	-2,634,196,370	**-283.97**	**-897,329,910**	**-98.98**
Total Equity	**3,462,970,525**	**397.55**	**5,144,670,794**	**576.20**
Total Liabilities and Equity	**31,137,777,314**	**3,574.62**	**32,733,415,356**	**3,666.14**
	-	-	-	-

Manuel de Jesus Coronel Molina Legal Representative

Shareholder **pf Lux International AG**	**Shareholder** **Ruben G Ramallo E**	**Shareholder** **Ricardo R Ramallo G**	**Miguel Angel** **Gaona Toledo** **Accountant**

LUX DEL PARAGUAY S.A.

INCOME STATEMENT

		December, 31			
		2018 (PYG)	**2018 (INR)**	**2017 (PYG)**	**2017 (INR)**
Operating Income	1	28,795,540,214	3,369.08	28,056,519,169	3,142.33
Operating Costs	2	-9,410,724,770	-1,101.05	-9,644,895,223	-1,080.23
Other Income	3	7,400,383,346	865.84	6,851,221,239	767.34
Gross result		**26,785,198,790**	**3,133.87**	**25,262,845,185**	**2,829.44**
Sales or Commercialisation Expenses	4	-12,541,937,986	-1,467.41	-11,924,731,687	-1,335.57
Administration Expenses	5	-12,721,959,706	-1,488.47	-11,404,804,166	-1,277.34
Total Operating expenses		**-25,263,897,692**	**-2,955.88**	**-23,329,535,853**	**-2,612.91**
Net operating income		**1,521,301,098**	**177.99**	**1,933,309,332**	**216.53**
Bank and Financial Expenses	6	-2,642,745,559	-309.20	-3,106,958,140	-347.98
Depreciation & Amortisation	7	-497,356,220	-58.19	-469,314,520	-52.56
Other Non Operating Income	8	30,225,033	3.54	36,654,597	4.11
Result before income tax		**-1,588,575,648**	**-185.86**	**-1,606,308,731**	**-179.91**
Income tax		-148,290,812	-17.35	-36,945,444	-4.14
Net result		**-1,736,866,460**	**-203.21**	**-1,643,254,175**	**-184.04**

Manuel de Jesus Coronel Molina Legal Representative

Shareholder	**Shareholder**	**Shareholder**	**Miguel Angel**
pf Lux International AG	**Ruben G Ramallo E**	**Ricardo R Ramallo G**	**Gaona Toledo**
			Accountant

Act of Ordinary Assebmly dated 28.03.2019

	December, 31			
	2018 (PYG)	2018 (INR)	2017 (PYG)	2017 (INR)
1. Operating Income				
Sales of Merchandise -				
Sales of Merchandise Taxed by VAT	31,629,288,841	3,700.63	31,716,671,643	3,552.27
Sales of Merchandise exempt by VAT	6,405,818	0.75	1,365,452	0.15
Sales of Taxed Services	440,563,540	51.55	493,827,646	55.31
(-) Granted Discounts	-994,997,154	-116.41	-1,041,569,267	-116.66
(-) Returns	-2,285,720,831	-267.43	-3,113,776,305	-348.74
Total Operating Income	**28,795,540,214**	**3,369.08**	**28,056,519,169**	**3,142.33**
2. Operative Costs				
Cost of Merchandise Taxed by VAT	-9,410,724,770	-1,101.05	-9,644,528,900	-1,080.19
Cost of Merchandise Exempt by VAT	-	-	-366,323	-0.04
Total Operative Costs	**-9,410,724,770**	**-1,101.05**	**-9,644,895,223**	**-1,080.23**
3. Other Income				
Earned Interests	6,742,387,563	788.86	6,039,391,879	676.41
Other Income on Sales	657,995,783	76.99	811,829,360	90.92
Total Other Income	**7,400,383,346**	**865.84**	**6,851,221,239**	**767.34**
4. Sales or Commercialisation Expenses				
Salaries and Jornals	-257,735,791	-30.16	-154,300,000	-17.28
Patronal Contribution	-1,179,397,395	-137.99	-1,144,078,512	-128.14
Other Benefits to Staff	-107,074,451	-12.53	-149,346,084	-16.73
Prizes and Motivations to Staff	-577,828,732	-67.61	-894,071,999	-100.14
Vacations	-402,908,475	-47.14	-446,939,382	-50.06
Bonus	-604,427,988	-70.72	-609,000,033	-68.21
Paid Commission on Sales	-6,259,131,047	-732.32	-5,826,458,569	-652.56
Bonus Payment to Salesmen	-637,375,000	-74.57	-684,335,000	-76.65
Publicity and Propaganda	-198,770,179	-23.26	-130,525,911	-14.62
Paid Freight	-86,059,123	-10.07	-60,606,211	-6.79
Sales Vehicle Fuel	-321,386,028	-37.60	-289,683,195	-32.44
Sales Vehicle Repair	-387,377,830	-45.32	-279,077,775	-31.26
Other costs of sales vehicles	-37,569,641	-4.40	-44,372,337	-4.97
Training , Coaching	-182,368,630	-21.34	-126,379,399	-14.15
Other non deductible sales Expenses	-609,893,739	-71.36	-362,718,892	-40.62
Other Sales Expenses	-692,633,937	-81.04	-722,838,388	-80.96
Total Sales or Commercialisation Expenses	**-12,541,937,986**	**-1,467.41**	**-11,924,731,687**	**-1,335.57**
5. Administration Expenses				
Salaries and Jornals	-2,228,132,852	-260.69	-2,075,454,167	-232.45
Patronal Contribution	-851,155,147	-99.59	-777,766,532	-87.11
Vacations - Administration	-185,848,681	-21.74	-130,227,671	-14.59
Bonus Administration	-438,395,252	-51.29	-416,596,216	-46.66
Family Bonus Administration	-52,736,500	-6.17	-62,165,000	-6.96
Paid Commissions	-2,640,823,040	-308.98	-2,424,716,997	-271.57
Other Benefits	-178,908,541	-20.93	-91,089,343	-10.20
Total Salaries and Other Remunaration	-6,576,000,013	-769.39	-5,978,015,926	-669.54
Superior Remuneration	-1,097,199,996	-128.37	-1,154,399,994	-129.29
Professional Fees	-154,113,655	-18.03	-99,221,831	-11.11
Rentals	-526,875,929	-61.64	-510,711,161	-57.20
Water, Electricity, Telephone & Internet	-339,872,612	-39.77	-288,860,073	-32.35
Mobility	-674,950,427	-78.97	-631,425,449	-70.72
Fuel and Lubricants	-122,892,826	-14.38	-119,892,375	-13.43
Repairs and Maintenance	-269,897,488	-31.58	-101,788,625	-11.40
Paid Insurance	-148,755,773	-17.40	-154,030,210	-17.25
Office Supplies	-215,691,402	-25.24	-209,509,815	-23.47
Expenses Paid Abroad	-53,700,468	-6.28	-115,084,899	-12.89
Taxes , Patents fees and other contributions	-204,000	-0.02	-	-
Collection Expenses	-623,693,824	-72.97	-557,718,187	-62.46
Low Inventories	-229,761,269	-26.88	-130,801,528	-14.65
General Expenses	-339,306,762	-39.70	-331,330,377	-37.11
Security Expenses	29,960,000	3.51	-	-
External Audit Fees	-71,036,894	-8.31	-68,865,315	-7.71
Uncorruptible Credits	-309,506,211	-36.21	-223,029,346	-24.98
Commercial Patents	-32,820,363	-3.84	-26,230,711	-2.94
Real Estate Tax	-5,182,800	-0.61	-4,940,700	-0.55
VAT Deductible Cost	-361,058	-0.04	-1,169,640	-0.13

Fines and Recharges	-137,175,590	-16.05	-155,663,443	-17.43
Reserve of the Exercise	-136,587,581	-15.98	-247,363,195	-27.70
Tax on royalties,interests,freight and Insurance	-415,041,991	-48.56	-46,840,538	-5.25
Computing Expenses	-271,290,774	-31.74	-247,910,828	-27.77
Total Administration Expenses	**-12,721,959,706**	**-1,488.47**	**-11,404,804,166**	**-1,277.34**

	December, 31			
	2018 (PYG)	2018 (INR)	2017 (PYG)	2017 (INR)
6. Bank and Financial Expenses				
Interests to Bank and Financial Entities	-1,695,873,870	-198.42	-2,015,994,442	-225.79
Result of Exchange Rate Difference	-946,871,689	-110.78	-587,959,815	-65.85
Royalties	-	-	-503,003,883	-56.34
Total Bank and Financial Expenses	**-2,642,745,559**	**-309.20**	**-3,106,958,140**	**-347.98**
7. Depreciation and Amortisation of Assets				
Depreciations of the Exercise	-374,109,606	-43.77	-346,630,408	-38.82
Amortisations of the Exercise	-123,246,614	-14.42	-122,684,112	-13.74
Total Depreciation and Amortisation	**-497,356,220**	**-58.19**	**-469,314,520**	**-52.56**
8. Other Non Operating Income				
Profit / Loss for Sale of Fixed Assets	27,272,727	3.19	930,264	0.10
Profit / Loss for Sale of Investment Sale	-	-	641,637	0.07
Recovered Uncollectable Accounts	2,600,000	0.30	-	-
Other Income	352,306	0.04	35,082,696	3.93
Total Other Non operating Income	**30,225,033**	**3.54**	**36,654,597**	**4.11**

Cash Flow Statement

	December, 31			
	2018 (PYG)	2018 (INR)	2017 (PYG)	2017 (INR)
Cash Flow from Operarive Activities				
Net Sales (Net Collections)	38,620,402,243	4,433.62	40,253,782,699	4,508.42
Payment to outside Providers (Net Payment)	-8,280,810,324	-950.64	-5,707,597,533	-639.25
Payment to Local Providers (Net Payment)	374,601,616	43.00	59,399,544	6.65
Cash paid to employees	-17,270,309,984	-1,982.63	-15,478,447,183	-1,733.59
Cash Generated (Used) for other operative activities	-11,457,967,015	-1,315.37	-12,276,179,575	-1,374.93
Tax Payment	-760,006,754	-87.25	-981,382,190	-109.91
Net Cash for Operative activities	**1,225,909,782**	**140.73**	**5,869,575,762**	**657.39**
Cash Flow from Investment Activities				
Increase / (Net Decrease) of Property plant and equipments	-483,196,122	-55.47	-404,787,242	-45.34
Net Cash from Investment Activities	**-483,196,122**	**-55.47**	**-404,787,242**	**-45.34**
Cash Flow From Financing Activities				
Increase / (Net Decrease) of Loans	-1,112,503,972	-127.72	-5,086,514,299	-569.69
Net Cash from Financing Activities	**-1,112,503,972**	**-127.72**	**-5,086,514,299**	**-569.69**
Effect of Profit or losses from Forex rates and Translation Reserves	-	-4.01	-	-4.01
Increase / Net Decrease of cash ans its equivalents	-369,790,312	-46.46	378,274,221	38.36
Cash and Cash Equivalents at the beginning of the period	1,054,622,056	160.48	2,770,148,622	122.13
Cash and Cash Equivalents at the closure of the period	**684,831,744**	**114.02**	**3,148,422,843**	**160.48**

Manuel de Jesus Coronel Molina Legal Representative

Shareholder
pf Lux International AG

Shareholder
Ruben G Ramallo E

Shareholder
Ricardo R Ramallo G

Miguel Angel
Gaona Toledo
Accountant

Statement of Networth Change

Accounts	Capital Integrated PYG	Reserves - PYG Legal	Reserves - PYG Of Revalue	Reserves - PYG Others	Results Accumulated	Results Of the Exercise	Networth
Balance at the start of the year 2017	5,000,000,000	636,635,104	326,349,151	-	616,045,601	136,714,383	6,715,744,239
Transfer to accumulated Reserves	-	-	-	-	136,714,383	-136,714,383	-
Revalue Reserve	-	-	72,180,730	-	-	-	72,180,730
Legal Reserve	-	6,635,719	-	-	-6,635,719	-	-
Other Reserve	-	-	-	-	-	-	-
Exercise Result	-	-	-	-	-	-1,643,254,175	-1,643,254,175
Balance at the closing of the year 2016 and start of the year 2017	5,000,000,000	643,270,823	398,529,881	-	746,124,265	-1,643,254,175	5,144,670,794
Transfer to accumulated Reserves	-	-	-	-	-1,643,254,175	1,643,254,175	-
Legal Reserve	-	-	-	-	-	-	-
Revalue Reserve	-	-	55,166,191	-	-	-	55,166,191
Exercise Result	-	-	-	-	-	-1,736,866,460	-1,736,866,460
Balance at the closing of the year 2017	5,000,000,000	643,270,823	453,696,072	-	-897,129,910	-1,736,866,460	3,462,970,525
INR Lakhs	558.50	71.88	51.14		-98.98	-203.21	397.55

Manuel de Jesus Coronel Molina Legal Representative

Shareholder
pf Lux International AG

Shareholder
Ruben G Ramallo E

Shareholder
Ricardo R Ramallo G

Miguel Angel
Gaona Toledo
Accountant

Act of Ordinary Assebmly dated 28.03.2019

LUX HUNGARIA KERESKEDELMI. KFT

(a wholly owned Subsidiary Company of
Lux International AG)

Financial Statements

For the Year ended December 31, 2018

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This is an English translation of the Independent Auditors' Report on the 2018 annual financial statements of Lux Hungária Kft. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

Independent Auditors' Report

To the member of Lux Hungária Kft.

Opinion

We have audited the 2018 annual financial statements of Lux Hungária Kft. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2018, which shows total assets of THUF 2,304,716 and profit after tax for the year of THUF 36,426, and the income statement for the year then ended, and supplementary notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying annual financial statements give a true and fair view of the financial position of the Company as at 31 December 2018, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary (hereinafter referred to as "the Act on Accounting").

Basis for Opinion

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Annual Financial Statements section of our report. We are independent of the Company for the purposes of our audit of the annual financial statements, as provided in applicable laws in force in Hungary, "The Policy on Rules of Conduct (Ethics) of the Audit Profession and on Disciplinary Procedures" of the Chamber of Hungarian Auditors, as well as with respect to issues not covered by these, in the "Code of Ethics for Professional Accountants" issued by the International Ethics Standards Board for Accountants (the IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the 2018 Business Report of the Company. Management is responsible for the preparation of the business report in accordance with the Act on Accounting and other applicable legal requirements, if any.
Our opinion on the annual financial statements expressed in the Opinion section of our report does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements.

This is an English translation of the Independent Auditors' Report on the 2018 annual financial statements of Lux Hungária Kft. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete set of annual financial statements it refers to.

In our opinion the 2018 business report of the Company is consistent, in all material respects, with the 2018 annual financial statements of the Company and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report of the Company, therefore, we do not express an opinion in this respects.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Annual Financial Statements

Management is responsible for the preparation and fair presentation of the annual financial statements in accordance with the Act on Accounting, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as applicable, matters related to going concern; and, management is responsible for preparing the annual financial statements on a going concern basis. Valuation made by management shall be based on the principle of going concern, unless the use of this principle is precluded by any provision, or if any fact or circumstance prevails, which precludes the Company to continue as a going concern.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 Hungarian National Standards on Auditing and applicable laws and regulations in Hungary 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 annual financial statements.

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the annual 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• 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 for the preparation of the annual financial statements 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 auditors' report to the related disclosures in the annual 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 auditors' 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 annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Budapest, 24 April 2019

KPMG Hungária Kft.

Registration number: 000202

Zoltán Varga
Partner, Professional Accountant
Registration number: 007320

LUX HUNGARIA KFT.
BALANCE SHEET AS OF 31 DECEMBER 2017 AND 31 DECEBMER 2018
(All Amounts in thousands of HUF except if otherwise indicated)

ASSETS

	31ST DEC 2017		31ST DEC 2016	
	HUF '000	INR Lakhs	HUF '000	INR Lakhs
A. FIXED ASSETS AND INVESTMENTS	**418,277**	**1,034.40**	**422,475**	**1,038.02**
I. Intangible assets	10,546	26.08	3,381	8.31
1 Capitalised costs of foundation and restructuring	-	-	-	-
2 Capitalised costs of research and development	-	-	-	-
3 Rights representing money	-	-	-	-
4 Intellectual property	10,546	26.08	3,381	8.31
5 Goodwill	-	-	-	-
6 Advances on intangible assets	-	-	-	-
7 Value adjustment of intangible assets	-	-	-	-
II. Tangible assets	**407,731**	**1,008.32**	**419,094**	**1,029.71**
1 Land and buildings	341,658	844.92	341,889	840.02
2 Technical equipment, machinery and vehicles	-	-	-	-
3 Other equipment and fittings	65,427	161.80	73,033	179.44
4 Breeders	-	-	-	-
5 Construction-in-progress	646	1.60	4,172	10.25
6 Advances on construction-in-progress	-	-	-	-
7 Value adjustment of tangible assets	-	-	-	-
III. Financial investments	-	-	-	-
1 Long-term participation in related companies	-	-	-	-
2 Long-term lendings to related companies	-	-	-	-
3 Other long-term participations	-	-	-	-
4 Long-term lendings to other holding companies	-	-	-	-
5 Other long-term lendings	-	-	-	-
6 Securities representing long-term credit relationships	-	-	-	-
7 Value adjustment of financial investments	-	-	-	-
B. CURRENT ASSETS	**1,856,338**	**4,590.72**	**1,926,422**	**4,733.22**
I. Inventories	**394,650**	**975.97**	**545,822**	**1,341.08**
1 Raw materials	2,991	7.40	1,925	4.73
2 Semi-finished goods and work in progress	-	-	-	-
3 Livestock	-	-	-	-
4 Finished products	-	-	-	-
5 Purchased goods	391,659	968.57	543,897	1,336.35
6 Advances on inventories	-	-	-	-
II. Receivables	**1,410,287**	**3,487.64**	**1,369,859**	**3,365.74**
1 Accounts receivable	1,305,472	3,228.43	1,274,464	3,131.36
2 Receivables from related companies	71,213	176.11	60,267	148.08
3 Receivables from other holding companies	-	-	-	-
4 Bills receivable	-	-	-	-
5 Other receivables	33,602	83.10	35,128	86.31
III. Securities	-	-	-	-
1 Participations in related companies	-	-	-	-
2 Other participations	-	-	-	-
3 Own shares, own business shares	-	-	-	-
4 Securities for resale representing credit relationship	-	-	-	-
IV. Liquid assets	**51,401**	**127.11**	**10,741**	**26.39**
1 Cash and cheques	22,892	56.61	7,545	18.54
2 Bank deposits	28,509	70.50	3,196	7.85
C. PREPAYMENTS	**30,101**	**74.44**	**20,115**	**49.42**
1 Prepayments on revenues	25,358	62.71	19,210	47.20
2 Prepayments on costs and expenses	4,743	11.73	905	2.22
3 Deferred expenses	-	-	-	-
TOTAL ASSETS	**2,304,716**	**5,699.56**	**2,369,012**	**5,820.66**

LIABILITIES

	31ST DEC 2017 HUF	31ST DEC 2017 INR	31ST DEC 2016 HUF	31ST DEC 2016 INR
D. EQUITY	**1,162,642**	**2,875.21**	**1,126,216**	**2,767.11**
I. Issued capital of which : repurchased own shares at nominal value	30,000	85.96	30,000	85.96
II. Issued unpaid capital (-)	-	-	-	-
III. Share premium	123,496	353.87	123,496	353.87
IV. Retained earnings	972,720	2,862.55	956,398	2,823.56
V. Tied-up reserves	-	-	-	-
VI. Valuation reserve	-	-	-	-
VII. Net profit (loss)	36,426	91.32	16,322	38.99
Foreign Currency Translation Reserve	-	(518.49)	-	(535.27)
E. PROVISIONS	**17,413**	**43.06**	**10,325**	**25.37**
1 Provision for contingent liabilities	17,413	43.06	10,325	25.37
2 Provision for future liabilities	-	-	-	-
3 Other provisions	-	-	-	-
F. LIABILITIES	**1,034,751**	**2,558.94**	**1,153,032**	**2,833.00**
I. Deferred liabilities	-	-	-	-
1 Deferred liabilities to related companies	-	-	-	-
2 Deferred liabilities to other holding companies	-	-	-	-
3 Deferred liabilities to other enterprises	-	-	-	-
II Long-term liabilities	**18,207**	**45.03**	**73,278**	**180.04**
1 Long-term borrowings	-	-	-	-
2 Convertible bonds	-	-	-	-
3 Liabilities from bond issues	-	-	-	-
4 Borrowings for capital expenditures and developments	-	-	-	-
5 Other long-term borrowings	-	-	-	-
6 Long-term liabilities to related companies	-	-	55,000	135.14
7 Long-term liabilities to other holding companies	-	-	-	-
8 Other long-term liabilities	18,207	45.03	18,278	44.91
II Current liabilities	**1,016,544**	**2,513.91**	**1,079,754**	**2,652.96**
1 Short-term borrowings	-	-	-	-
out of this: convertible bonds	-	-	-	-
2 Short-term credits	831,863	2,057.20	835,564	2,052.98
3 Advances from customers	-	-	-	-
4 Accounts payable	37,339	92.34	83,020	203.98
5 Bills payable	-	-	-	-
6 Short-term liabilities to related companies	6,440	15.93	19,341	47.52
7 Short-term liabilities to other holding companies	-	-	-	-
8 Other short-term liabilities	140,902	348.45	141,829	348.47
G. ACCRUALS	**89,910**	**222.35**	**79,439**	**195.18**
1 Accrued income	-	-	-	-
2 Accrued expenses	89,910	222.35	79,439	195.18
3 Deferred income	-	-	-	-
TOTAL EQUITY AND LIABILITIES	**2,304,716**	**5,699.56**	**2,369,012**	**5,820.66**

Budapest, 24 April 2018

LUX HUNGARIA KFT.
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017 AND 31 DECEBMER 2018
(All Amounts in thousands of HUF except if otherwise indicated)

			2018		2017	
			HUF '000	INR Lakhs	HUF '000	INR Lakhs
		1. Domestic sales	3,862,291	9,682.76	3,427,303	8,187.83
		2. Export sales	227,922	571.40	54,594	130.43
	I.	Total sales	4,090,213	10,254.16	3,481,897	8,318.25
		3. Changes in self-manufactured inventories	-	-	-	-
		4. Capitalised value of self-manufactured assets	-	-	-	-
	II.	Capitalised value of own production	-	-	-	-
	III.	Other income	72,784	182.47	23,370	55.83
		out of this: value loss recovered	13,592	34.08	1,505	3.60
		5. Costs of raw material	154,449	387.20	152,132	363.44
		6. Value of material-type services used	1,452,773	3,642.10	1,167,894	2,790.10
		7. Value of other service	48,066	120.50	47,482	113.43
		8. Costs of goods sold	1,235,172	3,096.58	1,081,310	2,583.25
		9. Value of services sold (intermediated)	62,106	155.70	50,421	120.46
	IV.	Material-type expenditures	2,952,566	7,402.08	2,499,239	5,970.68
		10. Wages and salaries	648,662	1,626.20	568,801	1,358.87
		11. Other payroll related costs	127,191	318.87	123,902	296.00
		12. Social security contribution	150,099	376.30	145,785	348.28
	V.	Payroll and related expenditures	925,952	2,321.36	838,488	2,003.15
	VI.	Depreciation	27,297	68.43	25,427	60.75
	VII.	Other expenses	202,007	506.43	108,511	259.23
		out of this: value loss	9,305	23.33	4,677	11.17
A.		**OPERATING RESULT**	**55,175**	**138.32**	**33,602**	**80.28**
		13. Dividends and other benefits received (due)	-	-	-	-
		out of this: from related companies	-	-	-	-
		14. Exchange gain on sale of business shares	-	-	-	-
		out of this: from related companies	-	-	-	-
		15. Interests and exchange gain on fixed assets	-	-	-	-
		out of this: from related companies	-	-	-	-
		16. Other interests interest-related revenues received (due)	420	1.05	427	1.02
		out of this: from related companies	-	-	-	-
		17. Other revenues of financial transactions	5,873	14.72	5,650	13.50
		out of this: revaluation difference	-	-	-	-
	VIII.	Revenues from financial activities	6,293	15.78	6,077	14.52
		18. Exchange loss on fixed assets	-	-	-	-
		out of this: given to related companies	-	-	-	-
		19. Exchange loss on invested financial assets	-	-	-	-
		out of this: given to related companies	-	-	-	-
		20. Other interests interest related expenses	15,667	39.28	18,787	44.88
		out of this: given to related companies	-	-	-	-
		21. Value loss of business shares, securities and bank deposits	-	-	-	-
		21. Other expenses of financial transactions	5,335	13.37	4,570	10.92
		out of this: revaluation difference	-	-	-	-
	IX.	Total expenses of financial transactions	21,002	52.65	23,357	55.80
B.		**INCOME (LOSS) ON FINANCIAL ACTIVITIES**	(14,709)	(36.88)	(17,280)	(41.28)
C		**PROFIT BEFORE TAX**	**40,466**	**101.45**	**16,322**	**38.99**
	XII.	Tax liability	4,040	10.13	-	-
D		**NET PROFIT (LOSS) FOR PERIOD**	**36,426**	**91.32**	**16,322**	**38.99**

Budapest, 24 April 2019

LUX HUNGÁRIA KFT.

SUPPLEMENTARY NOTES

FOR THE YEAR ENDED 31 DECEMBER 2018

LUX HUNGÁRIA KERESKEDELMI KFT.
SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2018
(All figures are in THUF except if otherwise indicated)

INTRODUCTION OF THE COMPANY

Lux Hungária Kft. (hereinafter referred to as the "Company") based at 1145 Budapest, Jávor u. 5/A, is engaged in the following:

Activity	TEÁOR (activity code)
Other retail sale not in stores, stalls or markets (core activity)	4799'08
Agents involved in the sale of machinery, industrial equipment, ships and aircraft	4614'08
Agents involved in the sale of furniture, household goods, hardware and ironmongery	4615'08
Wholesale of electrical household appliances	4643'08
Wholesale of electronic and telecommunications equipment and parts	4652'08
Retail sale of electrical household appliances in specialised stores	4754'08
Retail sale of furniture, lighting equipment and other household articles in specialised stores	4759'08
Repair of household appliances and home and garden equipment	9522'08
Retail sale via mail order houses or via Internet	4791'08
Other activities auxiliary to financial services	6619'08
Renting and leasing of other machinery, equipment and tangible goods n.e.c	7739'08
Renting and leasing of other personal and household goods	7729'08

In its day-to-day activities the Company distributes high-value quality products (primarily cleaning equipment) through its sales agent network (direct selling). As the typical sales method, the customers get to know the products of the Company and the service background on product presentations. About half of the sales agents are Company personnel, while the other half are independent agents who work for the Company based on engagement contracts. The customers of the Company are mainly households; however, industrial use of the products is also frequent. As regards payment methods, to promote sales the Company provides the option to pay by instalments to its customers after payment of deposit.

The Company was established by Electrolux Lehel Hűtőgépgyár Kft. (5100 Jászberény, Fémnyomó u. 1.) on 1 January 1999. The Company launched operations on 7 January 1999. The Company continues the activities of Lux (Hungary) division of Electrolux Lehel Hűtőgépgyár Kft. as an independent legal entity. The Company received its assets from the founder in the form of definitive asset transfer. Previously the assets were used by the division. The Company was registered on 12 January 1999 by the Budapest Court of Registration under the number 01-09-677763/4. Pre-company operations were closed as of the above date.

On 30 September 1999 the founder (Electrolux Lehel Hűtőgépgyár Kft.) sold its 100% interest to AB Lux (Luxbacken 1, Lilla Essingen, S-10545 Stockholm) which is also owned by Electrolux. On 25 November 1999 AB Lux sold its 100% interest to Lux International AG-nak (Baarermatte, CH-6340 Baar). This transaction removed the Company from the Electrolux Group. The change in ownership was registered by the Court of Registration on 24 October 2000 effective from 25 November 1999. On 30 September 2009 Lux International AG sold its 100% interest to its subsidiary, Lux (Deutschland) GmbH, then repurchased it on 31 December 2016.

Effective from 1 January 2016 the person authorised to represent the Company is Attila Tigyi (mother's maiden name: Aranka Kerner) resident at 1173 Budapest, Gyergyószentmiklós utca 91. The annual financial statements of the Company are signed by Attila Tigyi managing director.

Person responsible for managing and directing tasks within the scope of bookkeeping services:

Name: Berényi Tiborné
Field: business
Registration number: 144104
Address: 2241 Sülysáp, Szív utca 17.

With reference to Section 155 (2) of Act C of 2000 as amended, the Company must be audited. Auditor of the Company for the year ended 31 December 2018:

KPMG Hungária Kft.
1134 Budapest, Váci út 31.
Chamber of Hungarian Auditors registration no.: 000202
Cg. 01-09-063183

Natural person auditor responsible for the audit:

Zoltán Varga
Audit reg. no.: MKVK-007320

Lux Hungária Kft. is a member of the "Lux Group". The consolidated annual report of the Group is prepared by the owner of the Lux Group, Lux International AG. The owners of the Swiss-registered Lux International AG are private individuals, thus the consolidated annual financial statements of the Group are not public in accordance with local regulations.

ACCOUNTING POLICIES

The Company keeps its books and records in accordance with Act C of 2000 on Accounting as amended (hereinafter referred to as "the Act") and with accounting principles generally accepted in Hungary. The accounting policies and valuation methods and procedures of the Company along with the changes to the accounting policies during the year are as follows:

2.1. Basis for accounting

The Act entered into force on 1 January 2001. Both the attached balance sheet, which reflects the position as of 31 December 2017 and 31 December 2018, as well as the income statement for the years ended 31 December 2017 and 31 December 2018 were prepared in accordance with the Act.

2.2. Balance sheet preparation date

The date for preparing the balance sheet is 31 January 2018 for the 2017 annual financial statements and 31 January 2019 for the 2018 annual financial statements.

2.3. Intangible assets

Intangible assets are recognised at purchase or production cost less accumulated amortisation. Amortisation is calculated using the straight-line method, based on rates necessary to write off intangible assets over their expected useful lives. Capitalised value of rights and concessions and intellectual property is written off over 6 years.

2.4. Tangible assets

The Company records tangible assets contributed in kind by the owners at the value established during the valuation less accumulated depreciation. Purchased tangible assets are recognised at purchase cost less accumulated depreciation.

In 2017 and 2018 residual value was assessed for purchased motor vehicles. For other purchased tangible assets the residual value is insignificant.

Tangible assets with an individual purchase cost below THUF 100 are written off upon first use (upon capitalisation) in one amount as ordinary depreciation.

The Company applies straight-line depreciation, taking into consideration the expected useful lives of tangible assets. Expected useful lives are as follows:

	Years
Land and buildings	17
Other equipment, fittings	7
Technical equipment, machinery, vehicles	5

The Company accounts for depreciation on a monthly basis taking the above useful lives into account.

The registered office of the Company located at 1145 Budapest, Jávor u. 5/A is owned by the Company. Considering that based on Decree No. 47/2005. (VII.20.) of the Budapest General Assembly the building is protected, the Company does not book depreciation on the building.

2.5. Inventories

Purchased inventories are recognised either at purchase cost determined using the weighted average price method, or at market value, if the latter is lower than the purchase price.

2.6. Receivables and liabilities denominated in foreign exchange

The Company measures receivables and liabilities denominated in foreign exchange on an aggregate basis as required in the Act on Accounting. Considering that the Company is typically characterised by imports, it values its receivables and liabilities denominated in FX at the selling rate of Budapest Bank (the Company's bank).

2.7. Type of the balance sheet and the income statement

The Company prepared Version "A" of the balance sheet.
The Company prepared Version "A" income statement using the total-cost method.

2.8. Items exceptional in terms of size or occurrence

In line with the relevant provisions of the Act, items exceeding 2% of net sales revenue accounted for in the financial year are considered exceptional income, costs, expenses in terms of size.

Items that are not closely related to the Company's core activity and are not connected to the regular course of business, that is, which occur rarely, are considered exceptional in terms of occurrence. Exceptional in terms of occurrence refers the frequency of the activity.

FINANCIAL POSITION AND LIQUIDITY

The financial position and liquidity of the Company as of 31 December 2017 and 31 December 2018 are presented by the following financial indicators as well as the cash flow statement included in Appendix 1.

Financial indicators:

	31.12.2017	31.12.2018
Liquidity ratio = (current assets / current liabilities)* =	1.7	1.7
Acid test ratio = (current assets less inventories/current liabilities)* =	1.2	1.3
Debtor days to sales revenue = (trade receivables net of VAT/ sales revenue x 365 days) =	105	92
Fixed asset ratio = (fixed assets / balance sheet total) x 100 =	17.80%	18.10%
Current asset ratio = (current assets / balance sheet total) x 100 =	81.30%	80.50%
Ratio of deferred expenses and accrued income = (deferred expenses and accrued income / balance sheet total) x 100 =	0.80%	1.30%
Capital adequacy = (equity / balance sheet total) x 100 =	47.50%	50.40%
Ratio of provisions = (provisions / balance sheet total) x 100 =	0.40%	0.80%
Liabilities ratio = (liabilities / balance sheet total) x 100 =	48.70%	44.90%
Ratio of accrued expenses and deferred income = (accrued expenses and deferred income / balance sheet total) x 100 =	3.40%	3.90%
Debt to equity ratio = (liabilities / equity) x 100 =	102.40%	89.00%
Return on sales = (operating profit or loss / net sales revenue) x 100 =	1.00%	1.30%

* With deferred and accrued expenses and income.

LUX HUNGÁRIA KERESKEDELMI KFT.
SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2018
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INTANGIBLE ASSETS

Summary of changes to intangible assets for the years ended 31 December 2017 and 31 December 2018:

	Rights and Concessions	INR Lakhs	Intellectual Property	INR Lakhs	Total	INR Lakhs
GROSS VALUE:						
Opening balance						
At 1 January 2017	1,064	2.63	26,551	65.66	27,615	68.29
Increases	-	-	8,038	19.88	8,038	19.88
Decreases	-	-	-	-	-	-
Closing balance						
At 31 December 2017	1,064	2.63	34,589	86	35,653	88.17
Increases	-	-	8,694	21.50	8,694	21.50
Decreases 0 0 0	-	-	-	-	-	-
Closing balance						
At 31 December 2018	1,064	2.63	43,283	107	44,347	109.67
ACCUMULATED AMORTISATION:						
Opening balance						
At 1 January 2017	1,064	2.63	26,551	65.66	27,615	68.29
Increases	-	-	4,657	11.52	4,657	11.52
Decreases	-	-	-	-	-	-
Closing balance						
At 31 December 2017	1,064	2.63	31,208	77.18	32,272	79.81
Increases 0 1,529 1,529	-	-	1,529	3.78	1,529	3.78
Decreases 0 0 0	-	-	-	-	-	-
Closing balance						
At 31 December 2018	1,064	2.63	32,737	80.96	33,801	83.59
NET VALUE						
At 31 December 2017	-	-	3,381	8.36	3,381	8.36
NET VALUE						
At 31 December 2018	-	-	10,546	26.08	10,546	26.08

TANGIBLE ASSETS

Summary of changes to tangible assets for the years ended 31 December 2017 and 31 December 2018:

Changes to gross value

	Land and Buildings	INR Lakhs	Other equipment, Fittings & vehicles	INR Lakhs	Technical equipment, Machinery	INR Lakhs	Assets under construction	INR Lakhs	Tangible assets with purchase value below THUF 100	INR Lakhs	Total	INR Lakhs
GROSS VALUE:												
Opening balance												
At 1 January 2017	343,969	850.64	294,100	727.31	-	-	5,127	12.68	49,174	121.61	692,370	1,712.23
Increases	-	-	-	-	-	-	21,130	52.25	-	-	21,130	52.25
Capitalisations	427	1.06	43,168	106.75	-	-	-	-	5,967	14.76	49,562	122.57
Sale and other decreases	-	-	(39,658)	(98.07)	-	-	-	-	-	-	(39,658)	(98.07)
Reclassifications	-	-	-	-	-	-	(22,085)	(54.62)	-	-	(22,085)	(54.62)
Closing balance												
At 31 December 2017	344,396	851.69	297,610	735.99	-	-	4,172	10.32	55,141	136.36	701,319	1,734.36
Increases	-	-	-	-	-	-	21,427	52.99	-	-	21,427	52.99
Capitalisations	-	-	15,525	38.39	-	-	-	-	8,186	20.24	23,711	58.64
Sale and other decreases	-	-	(27,251)	(67.39)	-	-	-	-	-	-	(27,251)	(67.39)
Reclassifications	-	-	-	-	-	-	(24,953)	(61.71)	-	-	(24,953)	(61.71)
Closing balance												
At 31 December 2018	344,396	851.69	285,884	706.99	-	-	646	1.60	63,327	156.61	694,253	1,716.89

Changes to accumulated depreciation

Depreciation of low-value tangible assets is included in the table below from 2017. In 2017 and 2018 tangible assets with an individual purchase value below THUF 100 were written off in one amount. Depreciation of low-value tangible assets totalled THUF 6,998 INR 16.71 Lakhs in 2017 and THUF 7,401 in 2018 INR 18.55 Lakhs

	Land and Buildings		Other equipment, Fittings & vehicles		Technical equipment, Machinery		Assets under construction		Tangible assets with purchase value below THUF 100		Total	
ACCUMULATED DEPRECIATION :		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs
Opening balance												
At 1 January 2017	1,849	4.57	235,142	581.51	-	-	-	-	49,174	121.61	286,165	707.69
Booked Depreciation	658	1.63	18,555	45.89	-	-	-	-	5,967	14.76	25,180	62.27
Sale and other decreases	-	-	(29,120)	(72.01)	-	-	-	-	-	-	(29,120)	(72.01)
Closing balance												
At 31 December 2017	2,507	6.20	224,577	555.38	-	-	-	-	55,141	136.36	282,225	697.94
Booked Depreciation	231	0.57	17,111	42.32	-	-	-	-	8,186	20.24	25,528	63.13
Reclassifications	-		(21,232)	(52.51)	-	-	-	-	-	-	(21,232)	(52.51)
Closing balance												
At 31 December 2018	2,738	6.77	220,456	545.19	-	-	-	-	63,327	156.61	286,521	708.57
NET VALUE												
At 31 December 2017	341,889	845.49	73,033	180.61	-	-	4,172	10.32	-	-	419,094	1,036.42
NET VALUE												
At 31 December 2018	341,658	844.92	65,428	161.80	-	-	646	1.60	-	-	407,732	1,008.32

RAW MATERIALS AND CONSUMABLE GOODS

Composition of raw materials and consumables as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Servicing materials 1,925 2,991	1,925	4.73	2,991	7.40
Other	-	-	-	-
Total	1,925	4.73	2,991	7.40

GOODS

Composition of goods as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
New goods	358,928	881.89	250,605	619.75
Goods for presentation purposes	84,097	206.63	66,357	164.10
Servicing goods	121,931	299.58	105,493	260.88
Impairment of inventories	(21,059)	(51.74)	(22,132)	(54.73)
Goods debts	-	-	(8,664)	(21.43)
Total	543,897	1,336.35	391,659	968.57

Changes to impairment of inventories for the years ended 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Opening balance	17,128	42.08	21,059	52.08
Booking of impairment (increase)	3,931	9.66	1,073	2.65
Reversal of impairment (decrease)	-	-	-	-
Closing balance	21,059	51.74	22,132	54.73

The Company booked impairment on inventories the carrying amount of which is higher than the expected recovery. Inventories were assessed for impairment by product group. Impairment is assessed at 25%, 50%, 75% or 100%, as follows:

- 25%: for inventories where sale or use slowed down temporarily;
- 50%: for inventories where sale or use slowed down permanently;
- 75%: for inventories where sale or use will be discontinued soon;
- 100%: for inventories where sale or use was discontinued.

TRADE RECEIVABLES

Composition of trade receivables as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Trade receivables	1,370,033	3,366.17	1,388,902	3,434.75
Impairment of trade receivables	(73,344)	(180.21)	(59,752)	(147.77)
Impairment of trade receivables due to returns	(22,255)	(54.68)	(23,678)	(58.56)
Total	1,274,434	3,131.28	1,305,472	3,228.43

Changes to impairment of trade receivables for the years ended 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Opening balance	73,470	180.52	73,344	181.38
Booking of impairment (increase)	-	-	-	-
Reversal of impairment (decrease)	(126)	(0.31)	(13,592)	(33.61)
Closing balance	73,344	180.21	59,752	147.77

Changes to impairment of trade receivables due to returns expected in the next period for the years ended 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Opening balance	23,604	58.00	22,225	54.96
Booking of impairment (increase)	-	-	-	-
Reversal of impairment (decrease)	(1,379)	(3.39)	1,453	3.59
Closing balance	22,225	54.61	23,678	58.56

RECEIVABLES FROM RELATED COMPANIES

Composition of receivables from related companies as of 31 December 2017:

Type of receivable	Balance		Interest %
		INR Lakhs	
Lux Int. Services & Logistics GmbH:			
• Trade receivable	233	5.72	-
Lux Italia s.r.l.:			
• Trade receivable	34	0.84	-
Lux Aqua Hungária Kft.:			
• Trade receivable (sale of division)	60,000	1,474.20	-
Total	60,267	1,480.76	

Composition of receivables from related companies as of 31 December 2018:

Type of receivable	Balance		Interest %
		INR Lakhs	
Lux International AG (parent company):			
• Trade receivable 71,213 -	71,213	176.11	-
Total	71,213	176.11	

OTHER RECEIVABLES

Composition of other receivables as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Receivables from agents due to missing items or other damage	33,836	80.83	32,628	81.80
Deposits	10,379	24.80	9,753	24.45
Receivables from insurers	7,103	16.97	13,297	33.34
Loans granted	8,775	20.96	9,576	24.01
Corporation tax receivable	6,442	15.39	2,402	6.02
Advances to suppliers	3,938	9.41	1,874	4.70
Advances for settlement	-	-	2,789	6.99
Business tax	388	0.93	1,706	4.28
Building tax	786	1.88	2,179	5.46
Wage advances	696	1.66	483	1.21
Other	1,088	2.60	1,996	5.00
Impairment of other receivables	(38,303)	(91.51)	(45,081)	(113.02)
Total	35,128	83.92	33,602	84.24

Composition of impairment of other receivables as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Impairment for receivables from sales agents	27,511	65.72	25,491	63.91
Impairment for loans granted	3,060	7.31	3,381	8.48
Impairment for receivables from insurers	5,369	12.83	6,705	16.81
Impairment for deposits	2,293	5.48	2,963	7.43
Impairment for payment of corporation tax	-	-	6,442	16.15
Impairment for other items	70	0.17	99	0.25
Total	38,303	91.51	45,081	113.02

CASH AND CASH EQUIVALENTS

As of 31 December 2017 and 31 December 2018 the Company had only cash and bank deposits.
Bank deposits were as follows as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Bank accounts	3,196	7.85	28,509	70.50
Technical transfer accounts	-	-	-	-
Total	3,196	7.85	28,509	70.50

DEFERRED EXPENSES AND ACCRUED INCOME

Composition of accrued income as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Commission income	9,168	22.53	13,136	32.49
Re-charged services	9,249	22.72	10,897	26.95
Cancellation of fine in a resolution	-	-	1,000	2.47
Conference room rental	350	0.86	325	0.80
Income from guarantee cost refund	443	1.09	-	-
Total	19,210	47.20	25,358	62.71

Composition of prepayments as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Local travel passes	-	-	2,084	5.15
Insurance premiums	-	-	1,461	3.61
Project advisory services	-	-	732	1.81
Rentals	905	2.22	245	0.61
Other	-	-	221	0.55
Total	905	2.22	4,743	11.73

EQUITY

Registered capital as of 31 December 2017 and 31 December 2018:

Owner	Total nominal value 31.12.2017	INR Lakhs	Total nominal value 31.12.2018	INR Lakhs	Ownership share 31.12.2017	Ownership share 31.12.2018
Lux International AG	30,000	85.96	30,000	85.96	100%	100%

Changes to equity elements for the years ended 31 December 2017 and 31 December 2018:

	Capital Reserve	INR Lakhs	Retained Earnings	INR Lakhs	Allocated Reserve	INR Lakhs	Profit / Loss After Tax	INR Lakhs
Balance at 1 January 2017	123,496	353.87	1,039,968	3,021.40	-	-	(83,570)	(197.84)
Transfer of the loss for the year ended 31.12.2016 to retained earnings	-	-	(83,570)	(197.84)			83,570	197.84
Profit for the year ended 31.12.2017	-	-	-	-	-	-	16,322	38.99
Balance at 31 December 2017	123,496	353.87	956,398	2,823.56	-	-	16,322	38.99
Transfer of the profit for the year ended 31.12.2017 to retained earnings	-	-	16,322	38.99	-	-	(16,322)	(38.99)
Profit for the year ended 31.12.2018	-	-	-		-	-	36,426	91.32
Balance at 31 December 2018	123,496	353.87	972,720	2,862.55	-	-	36,426	91.32

We propose to transfer the profit after tax to retained earnings.

PROVISIONS

Composition of provisions as of 31 December 2017 and 31 December 2018:

	31.12.2017	INR Lakhs	31.12.2018	INR Lakhs
Opening balance of provisions for warranty liabilities:	10,678	26.24	10,325	25.53
Use of provisions for warranty liabilities:	(353)	(0.87)	(16,731)	(41.38)
Recognition of provisions for warranty liabilities:	-	-	23,819	58.90
Total	10,325	25.37	17,413	43.06

The Company recognised warranty provisions for expected liabilities in connection with appliances sold. The Company typically sells the appliances with 2 or 5 years of guarantee, and in addition to the volume within the guarantee period and the costs incurred in the reporting year it also takes into account repair costs reimbursed by suppliers.

NON-CURRENT LIABILITIES TO RELATED COMPANIES

Composition of non-current liabilities to related companies as of 31 December 2017:

Type of liability	Balance	INR Lakhs	Interest %
Lux International AG (parent company):			
• Loan	55,000	135.14	6%
Total	55,000	135.14	

As of 31 December 2018 the Company has no non-current liabilities to related companies.

OTHER NON-CURRENT LIABILITIES

Composition of other non-current liabilities as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Liabilities from finance lease	18,278	44.91	18,207	45.03
Total	18,278	44.91	18,207	45.03

LOANS

Liabilities to Budapest Bank Zrt. outstanding on 31 December 2017:

Type of loan	Balance	INR Lakhs	Maturity
Drawn HUF overdraft facility	135,565	333.08	26.10.2018
Customer financing revolving loan	550,000	1,351.35	25.10.2018
Inventory financing revolving loan	150,000	368.55	25.10.2018

Liabilities to Budapest Bank Zrt. outstanding on 31 December 2018:

Type of loan	Balance	INR Lakhs	Maturity
Drawn HUF overdraft facility	141,863	350.83	25.10.2019
Customer financing revolving loan	550,000	1,360.15	24.10.2019
Inventory financing revolving loan	140,000	346.22	24.10.2019

In 2018 the loan agreements were modified to extend the two types of revolving loan for a further year. The above table already shows the maturities of the modified loan agreements known on the balance sheet preparation date.

Collaterals for the liabilities to Budapest Bank Zrt. are as follows:

1. General mortgage on the property of the Company located at 1145 Budapest, Jávor u. 5/A. up to THUF 1,500,000 - INR 3,709.50 Lakhs
2. General mortgage on all assets of the Company up to THUF 1,500,000 - INR 3,709.50 Lakhs
3. Guarantee of Lux International AG up to THUF 890,000 INR 2,200.97 Lakhs

The Company revalued its receivables and liabilities denominated in foreign exchange on the reporting date.

LIABILITIES TO RELATED COMPANIES

Composition of liabilities to related companies as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Trade liabilities:				
Lux International AG	18,971	46.61	6,412	15.86
Lux Int. Services & Logistics GmbH	133	0.33	28	0.07
Lux Aqua Hungária Kft.	26	0.06	-	-
Lux Österreich GmbH	211	0.52	-	-
Total	19,341	47.52	6,440	15.93

OTHER CURRENT LIABILITIES

Composition of other current liabilities as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Wages	30,952	73.94	26,737	67.03
Liabilities to customers due to overpayment	37,648	89.94	40,528	101.60
Value added tax payable	27,749	66.29	28,366	71.11
Taxes and contributions payable (except for VAT,	21,493	51.35	17,095	42.86
social security contribution)		-		-
Social contribution tax	8,850	21.14	10,072	25.25
Innovation contribution liability	1,422	3.40	1,602	4.02
Liabilities from finance lease	12,811	30.61	6,568	16.47
Other	904	2.16	9,934	24.90
Total	141,829	338.83	140,902	353.24

ACCRUED EXPENSES AND DEFERRED INCOME

Composition of accrued expenses as of 31 December 2017 and 31 December 2018:

	31.12.2017		31.12.2018	
		INR Lakhs		INR Lakhs
Sales agent commissions	34,977	83.56	42,414	106.33
Service commissions	15,326	36.61	16,897	42.36
Expert fees	6,215	14.85	9,799	24.57
Other commissions	12,327	29.45	7,537	18.90
Bonus	-	-	3,566	8.94
Postal costs	2,631	6.29	2,550	6.39
Telephone costs	2,076	4.96	2,165	5.43
Interest	1,283	3.07	1,325	3.32
Fuel costs	1,406	3.36	1,497	3.75
Overheads	875	2.09	959	2.40
Other	2,323	5.55	1,201	3.01
Total	79,439	189.78	89,910	225.40

NET DOMESTIC SALES REVENUE

Composition of net domestic sales revenue in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Sale of goods	3,135,607	7,490.97	3,701,352	9,279.29
Provision of services	291,696	696.86	160,939	403.47
Total	3,427,303	8,187.83	3,862,291	9,682.76

NET EXPORT SALES REVENUE

Composition of net export sales revenue in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Sales in EU countries	42,363	101.21	27,061	67.84
Sales in non-EU countries	12,231	29.22	200,861	503.56
Total	54,594	130.43	227,922	571.40

Breakdown of sales in non-EU countries by region:

	2017		2018	
		INR Lakhs		INR Lakhs
Sales in non-EU countries, in Europe	12,231	29.22	200,861	503.56
Sales in countries in Asia	-	-	-	-
Total	12,231	29.22	200,861	503.56

Composition of export of services within net export sales revenue in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Export of services to EU countries	-	-	-	-
Export of services to non-EU countries	11,765	28.11	200,861	503.56
Total	11,765	28.11	200,861	503.56

LUX HUNGÁRIA KERESKEDELMI KFT.
SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2018
(All figures are in THUF except if otherwise indicated)

Breakdown of sales in non-EU countries by region:

	2017		2018	
		INR Lakhs		INR Lakhs
Export of services to non-EU countries, in Europe	11,765	28.11	200,861	503.56
Export of services to countries in Asia 0 0	-	-	-	-
Total	11,765	28.11	200,861	503.56

IMPORT PURCHASES

Composition of import of products in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
From EU countries	957,187	2,286.72	1,137,508	2,851.73
From non-EU countries	138,530	330.95	14,195	35.59
Total	1,095,717	2,617.67	1,151,703	2,887.32

Composition of import of services in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
From non-EU countries	112,136	267.89	128,346	321.76
From EU countries	-	-	774	1.94
Total	112,136	267.89	129,120	323.70

OTHER INCOME

Composition of other income in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Income exceptional in terms of size	-	-	45,000	112.82
Reversal of impairment for trade receivables	1,505	3.60	13,592	34.08
Accounting for expired liabilities	6,215	14.85	8,768	21.98
Income from tangible asset sales	10,450	24.97	3,800	9.53
Payments for credit loss	2,601	6.21	1,245	3.12
Damage compensation	363	0.87	220	0.55
Warranty reimbursement from suppliers	1,100	2.63	-	-
Other	1,136	2.71	159	0.40
Total	23,370	55.83	72,784	182.47

In connection with the Lux Aqua division sold previously the Company had THUF 45,000 INR 112.81 Lakhs receivables from Lux Aqua Hungária Kft. in its books as of 30 April 2018.On 30 April 2018 the parent company sold its interest in Lux Aqua Hungária Kft. to a third party. Based on the sales agreement, the Company forgave the receivable from Lux Aqua Hungária Kft. and accounted for it among other expenses.

As part of the above transaction the owner issued a credit note to the Company in the same amount, which was recognised by the Company among other income.

SERVICES USED

Composition of services used in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Sale commission	851,488	2,034.20	1,055,105	2,645.15
Rentals	52,953	126.50	64,672	162.13
Postal costs	29,804	71.20	29,345	73.57
Maintenance costs	35,732	85.36	52,005	130.38
Expert fees	26,325	62.89	40,771	102.21
Telephone costs	25,327	60.51	23,738	59.51
Fairs, exhibitions	5,429	12.97	6,997	17.54
Advertising costs	5,009	11.97	4,913	12.32
Training costs	6,981	16.68	10,622	26.63
Travel costs	5,233	12.50	12,426	31.15
Advertising and promotion costs	2,622	6.26	11,556	28.97
Transportation costs	6,089	14.55	9,577	24.01
Name usage fee	106,175	253.65	120,327	301.66
Costs of accommodation	6,922	16.54	9,288	23.29
Other	1,805	4.31	1,431	3.59
Total	1,167,894	2,790.10	1,452,773	3,642.10

The increase in services used is mainly due to the rise in sale commission, which in turn arises from higher revenue.

The auditor charged EUR 18,900 INR 15.26 Lakhs for the audit of the 2018 annual financial statements. It did not perform any other assurance services, tax advisory services or other non-audit services.

OTHER SERVICES

Composition of other services in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Bank charges	33,853	80.87	36,790	92.23
Insurance premiums	8,374	20.01	6,606	16.56
Fees and stamp duties paid to authorities	4,140	9.89	3,610	9.05
Other	1,115	2.66	1,060	2.66
Total	47,482	113.43	48,066	120.50

SERVICES SOLD (MEDIATED)

Composition of services sold (mediated) in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Labour fee and commission for product servicing	50,421	120.46	61,654	154.57
Travel Costs	-	-	452	1.13
Total	50,421	120.46	62,106	155.70

BOARD OF DIRECTORS, MANAGEMENT AND SUPERVISORY BOARD

The following payments were made to the members of the Board of Directors, the management and the Supervisory Board of the Company in the years ended 31 December 2017 and 31 December 2018:

	2017		2018		2017		2018	
	Management				Total			
		INR Lakhs		INR Lakhs		INR Lakhs		INR Lakhs
Remuneration	31,608	75.51	31,236	78.31	31,608	75.51	31,236	78.31

No other payment was made to the Board of Directors and the Supervisory Board in 2017 and 2018.

EMPLOYEES

Adjusted average number of employees by staff category in the years ended 31 December 2017 and 31 December 2018:

	2017	2018
Sale	50	30
Manual workers	6	5
Other (administrative)	146	155
Total	202	190

Wage costs, other staff benefits and wage contributions by staff category in the years ended 31 December 2017 and 31 December 2018:

	Wage Cost				Other Staff Benefit				Wage Contributions				Total			
	2017		2018		2017		2018		2017		2018		2017		2018	
Sale	163,552	390.73	142,212	356.53	90,154	215.38	88,512	221.90	38,219	91.31	29,862	74.86	291,925	697.41	260,586	653.29
Manual workers	13,383	31.97	13,902	34.85	2,259	5.40	2,200	5.52	2,944	7.03	2,669	6.69	18,586	44.40	18,771	47.06
Other (administrative)	391,864	936.16	492,548	1,234.82	31,491	75.23	36,479	91.45	104,622	249.94	117,568	294.74	527,977	1,261.34	646,595	1,621.01
Total	568,799	1,358.86	648,662	1,626.20	123,904	296.01	127,191	318.87	145,785	348.28	150,099	376.30	838,488	2,003.15	925,952	2,321.36

OTHER EXPENSES

Composition of other expenses in the years ended 31 December 2017 and 31 December 2018:

	2017		2018	
		INR Lakhs		INR Lakhs
Local business tax	43,455	103.81	51,975	130.30
Expenses exceptional in terms of size	-	-	45,000	112.82
Scrapped and missing purchased goods	25,345	60.55	43,478	109.00
Net value of tangible assets sold	10,538	25.18	6,019	15.09
Credit loss	8,582	20.50	21,103	52.91
Innovation contribution	6,594	15.75	7,910	19.83
Provisioning for warranty obligations	-	-	7,088	17.77
Product charge	4,077	9.74	4,705	11.80
Impairment of inventories	3,931	9.39	1,073	2.69
Fines, penalties	-	-	2,574	6.45
Company car tax	2,869	6.85	2,272	5.70
Building tax	1,393	3.33	-	-
Impairment of receivables	746	1.78	6,779	16.99
Impairment of returns	-	-	1,453	3.64
Other	981	2.34	578	1.45
Total	108,511	259.23	202,007	506.43

In connection with the Lux Aqua division sold previously the Company had THUF 45,000 INR 112.81 Lakhs receivables from Lux Aqua Hungária Kft. in its books as of 30 April 2018. On 30 April 2018 the parent company sold its interest in Lux Aqua Hungária Kft. to a third party. Based on the sales agreement, the Company forgave the receivable from Lux Aqua Hungária Kft. and accounted for it among other expenses. As part of the above transaction the owner issued a credit note to the Company in the same amount, which was recognised by the Company among other income.

CORPORATION TAX

The differences between the tax base assessed in accordance with the Act on Corporation Tax and the profit or loss before taxation for the years ended 31 December 2017 and 31 December 2018 are as follows:

	2017		2018	
		INR Lakhs		INR Lakhs
Profit before tax	16,322	38.99	40,466	101.45
Timing differences:				
Adjustment for loss carry forward	(15,563)	(38.24)	(44,884)	(111.00)
Adjustment due to provisions	-	-	-	-
Total timing differences	(15,563)	(38.24)	(44,884)	(111.00)
Permanent differences:				
Adjustment for bad debts	(1,379)	(3.39)	(6,814)	(16.85)
Forgiven receivables from related companies	-	-	45,000	111.29
Expenses booked due to provisions	-	-	7,088	17.53
Fines, penalties	-	-	2,574	6.37
Adjustment due to impairment	620	1.52	1,454	3.60
Total permanent differences:	(759)	(1.86)	49,302	121.92
Tax base	(759)	(1.86)	44,884	111.00
Corporation tax	-	-	4,040	10.13
Profit after tax	16,322	38.99	36,426	91.32

OTHER OFF-BALANCE SHEET LIABILITIES

As of the balance sheet preparation date the Company has no off-balance sheet liabilities that would significantly affect these financial statements.

Type of loan	Available Credit Facility	
		INR Lakhs
Current account overdraft	200,000	494.60
Revolving loan for inventories	150,000	370.95

TRANSACTIONS WITH RELATED COMPANIES

Transactions with related companies in the years ended 31 December 2017 and 31 December 2018 were as follows:

Net sales revenue	2017		2018	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	12,231	29.22	200,861	503.56
- Lux Aqua Hungária Kft.	109,661	261.98	42,399	106.29
- Lux Italia s.r.l.	9,154	21.87	3,320	8.32
- Lux International Services Kft.	6,001	14.34	-	-
- Lux Int. Services & Logistics GmbH	367	0.88	89	0.22
Total	137,414	328.28	246,669	618.40

Of the above, sales revenue from services provided	2017		2018	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	11,765	28.11	200,861	503.56
- Lux Aqua Hungária Kft.	109,661	261.98	42,399	106.29
- Lux International Services Kft.	6,001	14.34	-	-
Total	127,427	304.42	243,260	609.85

Services used	2017		2018	
		INR Lakhs		INR Lakhs
- Lux International AG (parent company)	112,136	267.89	126,957	318.28
Total	112,136	267.89	126,957	318.28

Purchase of products	2017		2018	
		INR Lakhs		INR Lakhs
- Lux Int. Services & Logistics GmbH	341,185	815.09	687,483	1,723.52
- LIAG Trading and Investments Ltd.	135,551	323.83	12,839	32.19
- Lux Österreich GmbH	242	0.58	129	0.32
- Lux Aqua Hungária Kft.	57,825	138.14	6,011	15.07
- Lux International Services Kft.	-	-	562	1.41
Total	534,803	1,277.64	707,024	1,772.51

In the reporting year there was no significant transaction in respect of related companies, except for the following:

In connection with the Lux Aqua division sold previously the Company had THUF 45,000 INR 112.81 Lakhs receivables from Lux Aqua Hungária Kft. in its books as of 30 April 2018. On 30 April 2018 the parent company sold its interest in Lux Aqua Hungária Kft. to a third party. Based on the sales agreement, the Company forgave the receivable from Lux Aqua Hungária Kft. and accounted for it among other expenses. As part of the above transaction the owner issued a credit note to the Company in the same amount, which was recognised by the Company among other income.

Budapest, 24 April 2019

LUX INTERNATIONAL AG

(a wholly owned subsidiary company of
Forbes Lux International AG)

Financial Statements

For the Year ended December 31, 2018

KPMG

Lux International Ltd., Küsnacht

Report of the Statutory Auditor on the Limited Statutory Examination to the General Meeting of Shareholders

Financial Statements 2018

KPMG AG
Zurich, 14 March 2019

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Report of the Statutory Auditor on the Limited Statutory Examination to the General Meeting of Shareholders of

Lux International Ltd., Küsnacht

As statutory auditors, we have examined the financial statements (balance sheet, income statement and notes) of Lux International Ltd. for the year ended 31 December 2018.

These financial statements are the responsibility of the board of directors. Our responsibility is to perform a limited statutory examination on these financial statements. We confirm that we meet the licensing and independence requirements as stipulated by Swiss law.

We conducted our examination in accordance with the Swiss Standard on the Limited Statutory Examination. This standard requires that we plan and perform a limited statutory examination to identify material misstatements in the financial statements. A limited statutory examination consists primarily of inquiries of company personnel and analytical procedures as well as detailed tests of company documents as considered necessary in the circumstances. However, the testing of operational processes and the internal control system, as well as inquiries and further testing procedures to detect fraud or other legal violations, are not within the scope of this examination.

Based on our limited statutory examination, nothing has come to our attention that causes us to believe that the financial statements and the proposed appropriation of available earnings do not comply with Swiss law and the company's articles of incorporation.

Without qualifying our examination conclusion, we draw attention to note 3.5 in the financial statements describing the liquidity difficulties of Lux International Ltd. This fact together with other matters disclosed in note 3.5 indicate the existence of a material uncertainty that may cast significant doubt about the ability of Lux International Ltd. to continue as a going concern. Should Lux International Ltd. be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values.

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yvonne Lingg
Licensed Audit Expert

Zurich, 14 March 2019

Enclosure:
- Financial statements (balance sheet, income statement and notes)

LUX INTERNATIONAL LTD, BAAR
BALANCE SHEET AS OF 31 December 2018

	Note	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
ASSETS Current assets					
Cash and cash equivalents		160,437	113.19	345,111	225.22
Trade accounts receivables	2.1	1,197,108	844.60	1,352,776	882.81
Other current receivables	2.2	2,700,746	1,905.48	1,698,558	1,108.46
Current financial assets	2.3	912,588	643.86	1,455,642	949.93
Prepaid expenses and accrued income		272,016	191.92	171,617	112.00
Total current assets		5,242,895	3,699.05	5,023,704	3,278.42
Non current assets					
Financial assets	2.4	4,028,978	2,842.59	8,162,105	5,326.49
Investments	2.5	33,717,824	23,789.17	32,804,039	21,407.52
Property, plant and equipment		111,322	78.54	192,655	125.72
Intangible assets		1,622,483	1,144.72	1,803,782	1,177.13
Total non current assets		39,480,607	27,855.02	42,962,581	28,036.86
TOTAL ASSETS		44,723,502	31,554.07	47,986,285	31,315.28

LIABILITIES AND SHAREHOLDERS' EQUITY Liabilities	Note	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Current liabilities					
Trade accounts payables	2.6	336,414	237.37	1,043,437	680.90
Other current payables to shareholder	2.7	7,884,974	5,563.11	4,240,500	2,767.34
Current interest-bearing liabilities	2.8	2,414,069	1,703.22	2,901,930	1,893.76
Current provisions		280,358	197.80	9,100	5.94
Accrued expenses and deferred income	2.10	274,803	193.88	467,866	305.32
Total current liabilities		11,190,618	7,895.38	8,662,833	5,653.26
Non-current liabilities					
Interest-bearing loans	2.9	18,394,191	12,977.78	21,217,755	13,846.45
Non Current Provisions	2.10	128,542	90.69	694,550	453.26
Provisons for unrealized exchange gains		108,127	76.29	490,765	320.27
Total non-current liabilities		18,630,860	13,144.76	22,403,070	14,619.98
Total liabilities		29,821,478	21,040.14	31,065,903	20,273.24
Shareholders' equity					
Share capital		19,500,000	13,033.78	19,500,000	13,033.78
Legal capital reserves		1,500,000	1,040.55	1,500,000	1,040.55
Voluntary retained earnings		-	-	-	-
- Results carried forward		(4,079,616)	(2,651.81)	(497,843)	(283.86)
- Loss for the year		(1,067,964)	(750.24)	(3,581,773)	(2,367.95)
- Merger Loss		(950,394)	(670.54)		
FCTR		-	512.19	-	(380.48)
Total shareholders' equity		14,902,026	10,513.93	16,920,384	11,042.04
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		44,723,502	31,554.07	47,986,285	31,315.28
		-	-	-	-

LUX INTERNATIONAL AG, BAAR
STATEMENT OF INCOME 2018

	Note	2018 CHF	2018 INR lakhs	2017 CHF	2017 INR Lakhs
INCOME					
Dividend income		1,369,370	961.97	1,580,739	1,045.05
Income from Royalties	2.11	710,661	499.23	602,449	398.29
Income from Factory Participation		3,662,958	2,573.20	4,214,360	2,786.16
Financial income	2.12	1,442,374	1,013.25	340,237	224.93
Extraordinary income	2.14	152,777	107.32	137,635	90.99
Other operating income	2.16	347,837	244.35	94,277	62.33
Total income		7,685,977	5,399.32	6,969,697	4,607.75
EXPENSES					
Financial expense	2.13	(626,205)	(439.89)	(2,590,678)	(1,712.73)
Personnel expenses		(2,010,306)	(1,412.22)	(2,857,514)	(1,889.14)
Other operating expenses	2.17	(2,183,425)	(1,533.84)	(3,628,264)	(2,398.69)
Depreciation on property, plant and equipment		(81,334)	(57.14)	(219,934)	(145.40)
Amortization on intangible assets		(411,300)	(288.93)	(951,457)	(629.02)
Impairment loss on investment	2.5	(1,836,249)	(1,289.95)	-	-
Impairment loss on Intercompany Loan		-	-	-	-
Extraordinary expense	2.15	(1,591,060)	(1,117.71)	(302,690)	(200.11)
Direct taxes		(14,062)	(9.88)	(933)	(0.62)
Total expenses		(8,753,941)	(6,149.56)	(10,551,470)	(6,975.71)
Loss for the year		(1,067,964)	(750.24)	(3,581,773)	(2,367.96)

LUX INTERNATIONAL AG, BAAR
NOTES

1 Principles
1.1 General aspects

The financial statement 2018 has been generated under the regulations of the new Swiss Accounting regulations (Para 32 of the Swiss Code of Obligations).

1.2 Property, plant and equipment

Property, plant and equipment (PPE) includes office equipment, cars as well as EDP hardware and is valued at acquisition or manufacturing costs less accumulated depreciation and impairment losses. PPE is depreciated between 3 and 8 years using the straight-line method. As soon as there are indicators that book values may be overstated, these are reviewed and, if necessary, adjusted.

1.3 Intangible assets

Intangible assets include Development and tooling costs. The accumulated costs for the product "Steam Cleaner" are not yet amortized because the product is still in the development phase. The "Axel" and "Lux Intelligence Face Lift" projects will be amortized pn a straight line basis until 30 June 2024. In prior year the amortization of development and tooling was between 3 and 8 years using straight line method.

1.4 Revenue from royalties and factory participation

Revenue from Royalties and Factory participation, which depends on order volume of the subsidiaries, is recorded as at invoicing. Once the service has been rendered it is invoiced, at the latest at the end of each quarter.

1.5 Financial assets

Financial assets include current and non-current loans and are recognized at acquisition cost. Loans granted in foreign currency are translated at the rate of balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized. In case of repayment, the gain or loss is recognized through the income statement as financial income or financial expenses.

1.6 Interest-bearing loans

Interest-bearing loans are recognized in the balance sheet at nominal value. Loans received in foreign currency are translated at the rate of balance sheet date, whereby unrealized losses are recorded but unrealized gains are not recognized.

2. Information on balance sheet and income statement items

2.1 Trade accounts receivables

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Receivables from third parties	666,420	470.18	785,164	512.39
Receivables from companies in which the entity holds an investment	530,688	374.42	567,612	370.42
Total	1,197,108	844.60	1,352,776	882.81

2.2 Other current receivables

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Receivables from third parties	158,625	111.92	322,365	210.37
Receivables from companies in which the entity holds an investment	2,460,876	1,736.24	1,337,313	872.71
Receivables from shareholders	81,245	57.32	38,880	25.37
Total	2,700,746	1,905.48	1,698,558	1,108.45

2.3 Current Financial Assets

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Loans to third parties	912,588	643.86	187,703	122.49
Loans to companies in which entity holds an investment	-	-	1,267,939	827.44
Total	912,588	643.86	1,455,642	949.93

2.4 Non-Current Financial Assets

CHF	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Loans to third parties	231,581	163.39	569,077	371.37
Loan to companies in which entity holds an investment	3,797,397	2,679.20	7,593,028	4,955.12
Total	4,028,978	2,842.59	8,162,105	5,326.49

The loans to 3rd parties contain among other positions portions of long-term loan receivables to Aspire Sano and Lux Czech s.r.o. The decrease in intercompany loan receivables for 2018 is based on the merger with Lux Professional International GmbH.

2.5 Investments

Company	Domicile	Share Capital 31.12.2018	Share Capital 31.12.2017	Share in Capital and voting rights in % 31.12.2018	Share in Capital and voting rights in % 31.12.2017
Lux (Schweiz) AG Direct Sales Company	Switzerland	CHF 100,000 INR 69.37 Lakhs	CHF 100,000 INR 69.37 Lakhs	100%	100%
Lux Deutschland GmbH Direct Sales Company	Germany	EUR 7,153,000 INR 6077.19	EUR 7,153,000 INR 6077.19	100%	100%
Forbes International AG *** (former Forbes Lux Group AG) Holding Company	Switzerland	- -	CHF 1,000,000 INR 693.70 Lakhs'	-	100%
AMC Cookware PTY Ltd. Direct Sales Company & Local production	South Africa	ZAR 100 INR 258	ZAR 100 INR 258	50%	50%
Lux Italia s.r.l Direct Sales Company	Italia	EUR 110,000 INR 93.46 Lakhs	EUR 110,000 INR 93.46 Lakhs	100%	100%
LIAG Trading & Investments Limited Trading and Logistics Company	UAE	AED 100,000 INR 18.18 Lakhs	AED 100,000 INR 18.18 Lakhs	100%	100%
Lux Norway A/S Direct Sales Company	Norway	NOK 20,500,000 INR 1639.08 Lakh	NOK 19,000,000 INR 1315.29 Lakhs	100%	100%
Lux Professional Internation GmBH*** (former Lux Aqua GmbH) Holding Company	Switzerland	- -	CHF 20,000 INR 13.32 Lakhs	-	100%
Lux Service GmbH Logistics and services Company	Germany	EUR 25'000 INR 18.45 Lakhs	EUR 25'000 INR 18.45 Lakhs	100%	100%
Lux Oesterreich GmbH Direct Sales Company	Austria	EUR 500'000 INR 424.80 Lakhs	EUR 500'000 INR 424.80 Lakhs	100%	100%
Lux Hungary Kereskedelmi Kft. Direct Sales Company	Hungary	HUF 30'000'000 INR 85.96 Lakhs	HUF 30'000'000 INR 85.96 Lakhs	100%	100%
Lux Aqua Hungaria Kft.** B2B Water Business Company	Hungary	- -	HUF 60'000'000 INR 138.47 Lakhs	-	100%
Lux del Paraguay S.A. Direct Sales Company	Paraguay	PYG 5'000'000'00 INR 558.50 Lakhs	PYG 5'000'000'0C INR 558.50 Lakhs	50%	50%
Lux Aqua Czech s.r.o ** Rental Company	Czech Republi	- -	CZK 1'000'000 INR 26.45 Lakhs	-	100%
Lux Aqua Paraguay SA Rental Company	Paraguay	PYG 100'000'000 INR 11.58 Lakhs	PYG 100'000'000 INR 11.58 Lakhs	100%	100%
Lux International Service Kft **** Corporate Service Company	Hungary	- -	HUF 15,000,000 INR 36.85 Lakhs	-	100%

** Shares Sold as of 31st December 2018.
*** merged with other group companies as of 31st Decemebr 2018.
**** Liquidated in 2018

2.6 Trade accounts payables

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Accounts payable due to third parties	249,162	175.79	437,722	285.65
Accounts payable due to companies in which the entity holds an investment	87,252	61.56	605,715	395.28
Total	336,414	237.35	1,043,437	680.93

2.7 Other Current Payables

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Other Payable due to third parties	-	-	131,684	85.94
Other payable due to companies in which the entity holds an investment	5,819,854	4,106.12	2,426,618	1,583.58
Other payable due to related parties	2,065,120	1,457.02	1,682,198	1,097.78
Total	7,884,974	5,563.14	4,240,500	2,767.30

2.8 Current Interest-bearing liabilities

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Loss due to third parties	2,414,069	1,703.22	-	-
Loans from companies in which the entity holds an investment	-	-	2,901,930	1,893.76
Total	2,414,069	1,703.22	2,901,930	1,893.76

2.9 Non-Current Interest-bearing liabilities

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Loan from third parties	14,467,531	10,207.38	17,539,200	11,445.87
Loan from companies in which the entity holds an investment	3,926,660	2,770.40	3,678,555	2,400.58
Total	18,394,191	12,977.78	21,217,755	13,846.45

2.10 Current and Non-Current Provisions

Current accrues expenses in the amount of CHF 274,803 (INR 193.88 Lakhs) includes, among other positions, a settlement payment for Lux Italy CHF 55,000 (INR 38.80 Lakhs), bonus accruals CHF 74,893 (INR 52.84 Lakhs), consultancy and auditing fees CHF 25,575 (INR 18.04 Lakhs). Current provisions includes an accrual for overtime and vacation CHF 8,900 (INR 6.28 Lakhs) and for short term restructuring expenses CHF 271,458 (INR 191.52 Lakhs). Long term re-structuring provisions in the amount of CHF 128,542 (INR 90.69 Lakhs) have been separately disclosed as non-current liabilities.

2.11 Results Carried Forward

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Results Carried Forward	(497,845)	(283.86)	9,924,922	6,825.73
Loss For the prior year	(3,581,773)	(2,367.95)	(10,422,767)	(7,109.59)
Merger Loss	(950,394)	(670.54)	-	-
Total	(5,030,012)	(3,322.35)	(497,845)	(283.86)

In 2018, Lux International AG was involved in the following mergers:

1) Acquisition of the assets and liabilities of Lux Professional GmbH, in Küssnacht ZH (CHE-348-540.420), according to the dated 7.03.2018 and balance sheet as at 31.12.2017. Assets of CHF 3,611,560 (INR 2548.09 Lakhs) and liabilities (debt capital) of CHF a liabilities surplus of CHF 782,949 (INR 552.40 Lakhs), are being transferred to the acquiring company. According to the confirmation of the subordination agreements exist equal to the underfunding and the over-indebtedness. As the acquiring company already holds all company, neither a capital increase nor an equity allocation takes place.

2) Acquisition of the assets and liabilities of Forbes International AG, in Baar (CHE-112.775.901), according to the merger 7.03.2018 and balance sheet as at 31.12.2017. Assets of CHF 2,249,129 (INR 1586.84 Lakhs) and liabilities (debt capital) of CHF 1,396,573 (INR 985.33 Lakhs) are to the acquiring company. As the acquiring company already holds all shares of the transferring company, neither a capital takes place.

The difference between assets / liabilities acquired and the net book value of the investments resulted in a merger loss of CHF 950,394 (INR 670.54 Lakhs)

2.12 Income from Royalties

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Income from third parties	78,719	55.30	87,611	57.92
Income from companies which the entity holds an investment	631,942	443.93	514,838	340.37
Total	710,661	499.23	602,449	398.29

The income of royalties is based on turnover with an agreed percentage of generated sales charged to the companies. The royalties of Norway for the years 2016 and 2017 and those of Italy for the year 2017 were waived in order to improve their liquidity.

2.13 Financial Income

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Interest income from third parties	11,935	8.38	29,461	19.48
Interest income from companies in which the entity holds an investment	255,269	179.32	310,776	205.46
Net Exchange Losses realized and unrealized as well as gains realized	1,175,170	825.55	-	-
Total	1,442,374	1,013.25	340,237	224.94

2.14 Financial Expenses

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Interest expense and charges to third parties	(429,331)	(301.60)	(433,478)	(286.58)
Interest expense to companies in which the entity holds an investment	(196,874)	(138.30)	(116,377)	(76.94)
Interest expense to shareholders	-	-	(590,201)	(390.19)
Net exchange losses realized and unrealized as well as gains realized	-	-	(1,450,622)	(959.02)
Total	(626,205)	(439.90)	(2,590,678)	(1,712.73)

2.15 Impairment loss on investment

Impairment of investments in Lux Italia s.r.l (CHF 1,836,279) (INR 128,994,840)

2.16 Extraordinary Income

Extraordinary income includes mostly the cancellation of invoices from Lux SK s.r.o billed in 2017.

2.17 Extraordinary Expenses

Extraordinary expenses include prior period expenses (CHF 216,266.00) INR (15,192,492), costs of liquidation of Lux International Serivce Kft. (CHF 52,885.00) (INR 3,715,124), loss on merger with Lux Professional International GmbH (CHF 116,019.00) (INR 8,150,230), loss on sale of investments in Lux Aqua Hungaria Kft. and Lux Aqua Czech s.r.o (CHF 1,208,155.00) (INR 84,871,801)

2.18 Other operating income

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Other income from third parties	276,794	194.45	(30,923)	(20.44)
Other income from group companies which entity holds an investment	35,043	24.62	89,200	58.97
Other income from shareholders	36,000	25.29	36,000	23.80
Total	347,837	244.36	94,277	62.33

2.19 Other operating expenses

	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Production Expenses	(174,662)	(122.70)	(204,766)	(135.37)
Swiss Stamp Duty in relation with the capital increase	-	-	(120,000)	(79.33)
Restructuring Expenses	-	-	(380,949)	(251.85)
Office and Administration expenses	(2,008,763)	(1,411.14)	(2,932,549)	(1,938.74)
Total	(2,183,425)	(1,533.84)	(3,638,264)	(2,405.29)

LUX INTERNATIONAL AG, BAAR
NOTES

3 Other Information

3.1 Full-time equivalents	31.12.2018	31.12.2017
Number of Full-time Employees (average over the year)	8	10

3.2 Residual amount of leasing obligations

The maturity of leasing obligations which have a residual term of more than twelve months or which cannot be canceled within the next twelve months is as follows:

	31.12.2018	31.12.2017
Up to 1 year (CHF)	359,260	377,833
1-5 years (CHF)	39,322	417,077
More than 5 years (CHF)	-	-
Total	398,582	794,910
INR Lakhs	281.21	518.75

These amounts include payments related to rental or leasing contracts up to the end of their contract period.

3.3 Collateral provided for liabilities of third parties	31.12.2018 CHF	31.12.2018 INR Lakhs	31.12.2017 CHF	31.12.2017 INR Lakhs
Lux International AG has issued a Guarantee Declaration towards Commerzbank, Germany, in favour of Lux Germany. The bank established a credit facility of EUR 200'000 which can be used for granting bank guarantees towards landlords (security for rented office facilities). As of 31st December 2018, a drawdown of EUR 175'327,35 (PY: EUR 157'060,92) has been used from the credit facility.	225,088	158.81	233,856	152.61
Lux International AG has issued two Guarantee Declarations towards Banca Popolare di Milano; Italy (EUR 130,000 PY EUR 240'000) and Banco Carige; Italy (EUR 100'000), in favour of Lux Italy. The banks have granted overdraft limits to the subsidiary, which has been drawn down partly as of 31st December 2018 (BPM: EUR 83'067, PY: EUR 83'498; Carige: EUR 0,00 PY: EUR 89'784).	258,851	182.63	269,059	175.58
Lux International AG has issued a Guarantee Declaration towards Bank Austria, Austria, in favour of Lux Austria. The bank granted an overdraft limit of EUR 250'000 to the subsidiary, which has been drawn partly as of 31st December 2018 (EUR 60'721, PY: EUR 60'721).	281,360	198.51	292,320	190.76
Lux International AG has issued a Letter of Comfort towards Budapest Bank, Hungary, in favour of Lux Hungary. The amount is limited to a maximum of HUF 890'000'000. Lux Hungary has pledged various assets to Budapest Bank on the basis of local Bank Loan Agreements. The subsidiary has drawn down HUF 835'565'000 (PY: HUF 805'637'000).	3,123,010	2,203.40	3,355,300	2,189.63

3.4 Derivative Financial Instruments

Lux International AG has entered into a derivative instrument with ICICI Bank UK PLC, GB London (combined IR-/FX Swap).
The Instrument consist of :

a) A cash flow hedge (15,669,000 USD / 15,000,000 Euro / INR 1,191,981,000) Linked to the ICICI loan and its amortization dates, which matures on each amortization payment date , latest on 23rd December 2022.

	31.12.2018				31.12.2018				
	Assets		Liabilities		Assets		Liabilities		Purpose
	TCHF	INR Lakhs	TCHF	INR Lakhs	TCHF	INR Lakhs	TCHF	INR Lakhs	
Future cash flows in CHF	15,418	10,877.97	16,882	11,910.88	15,295	10,791.19	17,539	12,374.41	Hedging
Total	15,418	10,877.97	16,882	11,910.88	15,295	10,791.19	17,539	12,374.41	

b) An Interest rate Swap (LIBOR + 2% Margin / 2.4 % fixed interest) linked to the payments on the ICICI loan and mature payment date (semi-

The intrument allows the company to carry the loan facility and the interest expenses related thereto at fixed EUR-based amounts in the

The company, and neither any of its subsidiaries, has not concluded any further derivative instrument.

3.5 Financial Difficulties

Lux International Ltd. and its direct and indirect subsidiaries (Lux Group) faced financial difficulties during the financial year ended December 31, 2018. The Lux International Ltd.'s ability to continue as a going concern depends on the continuing financial support of its ultimate parent company, Eureka Forbes Limited located India (EFL). The Board of Directors of Lux International AG are taking necessary steps to revive and stabilize the business of Lux Group. Further, the ultimate parent company, EFL, issued a financial support letter dated 17 December 2018, that they undertake financial support to the extend needed to keep 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 30 June 2020.

If Lux International Ltd. is not able to continue as a going concern, assets may have to be written down and provisions set up and fixed assets and non-current liabilities reclassified as current. The impact of these adjustments could be material and the necessary provisions would have to be followed by the Board of Directors.

3.6 Significant events after the balance sheet date

No significant events occurred

LUX INTERNATIONAL SERVICES & LOGISTICS GMBH
(Formerly: Lux Service GmbH)

(a Subsidiary of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

Independent practitioner's review report to the Board of Directors of

Lux International Services & Logistics GmbH, Fulda

We have reviewed the accompanying financial information of Lux International Services & Logistics GmbH, which comprise the balance sheet as at 31 December 2018, the income statement for the year then ended.

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2018 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group.

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of Lux International Services & Logistics GmbH in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2018, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than Lux International Services & Logistics GmbH, Lux International AG (Switzerland) and Eureka Forbes Limited (India).

Fulda, 1st February 2019

MUTH & Co. GMBH
Wirtschaftsprüfungsgesellschaft

(Kurt Abert)
Wirtschaftsprüfer

Enclosure:

- balance sheet, income statement as of 31.12.2018, General Engagement Terms

Lux International Services & Logistics GmbH, Fulda (Germany)

Balance Sheet

	31st Dec 2018		31st Dec 2017	
	Euro	INR Lakhs	Euro	INR Lakhs
Assets				
A. Non Current Assets				
I. Intangible Assets				
1. Industrial Protection rights and similar rights and assets purchased for consideration	4,837	3.84	646	0.49
II. Property Plant and Equipments				
1. Other operational and office equipments	75,595	60.07	83,303	63.58
Total Non Current Assets	80,432	63.92	83,949	64.07
B. Current Assets				
I. Inventories				
1.Raw Materials	9,788	7.78	9,711	7.41
2.Finished goods and Trading Stock	3,029,975	2,407.78	2,313,438	1,765.65
	3,039,763	2,415.56	2,323,149	1,773.06
II. Receivables and other assets				
1.Trade Accounts Receivable	368,263	292.64	172,330	131.53
2.Accounts receivable from affiliated	468,243	372.09	97,248	74.22
3.Receivable from shareholder	213,539	169.69	322,457	246.10
4. Other Assets	119,516	94.97	-	-
	1,169,561	929.40	592,035	451.85
III. Cash on Hand and Bank Balances	181,500	144.23	6,564	5.01
Total Current Assets	4,390,824	3,489.19	2,921,748	2,229.92
C. Prepaid expenses and deferred charges	20,645	16.41	20,150	15.38
Total Assets	**4,491,901**	**3,569.51**	**3,025,847**	**2,309.37**
Shareholder Equity and Liabilities				
A. Shareholder equity				
I. Subscribed Capital	25,000	18.45	25,000	18.45
II.Capital Reserve	1,375,000	1,062.00	975,000	744.14
III.Loss Carried forward	(946,946)	(701.79)	-	-
IV.Loss for the period	(211,542)	(170.84)	(946,946)	(701.79)
V .Foreign Currency Translation Reserve	-	(15.90)	-	(20.30)
Total Shareholder Equity	241,512	191.92	53,054	40.49
B.Provisions and accrued liabilities				
I. Other Provisions and accrued liabilities	474,700	377.22	378,000	288.50
Total Provisions and accrued liabilities	474,700	377.22	378,000	288.50
C. Liabilities				
1.Trade accounts payable	961,012	763.67	517,336	394.84
2.Accounts payable to affiliated entities	2,772,205	2,202.94	1,971,968	1,505.04
3.Accounts payable to shareholder	-	-	-	-
4.Other Liabilities	42,472	33.75	105,489	80.51
-- of which, for taxes EUR 42,147 (P.Y Eur 100,449)				
Total Liabilities	3,775,689	3,000.37	2,594,793	1,980.39
Total Shareholder Equity and Liability	**4,491,901**	**3,569.51**	**3,025,847**	**2,309.37**

Lux International Services & Logistics GmbH, Fulda (Germany)

Profit & Loss Statement

PARTICULARS	2018		2017	
	EUR	INR Lakhs	EUR	INR Lakhs
Sales Revenue	12,044,166	9,726.57	11,811,685	8,753.75
Other Operating Income	77,347	62.46	93,791	69.51
Total Operating Income	12,121,513	9,789.03	11,905,476	8,823.26
Cost of Materials -				
Cost of purchased trading cost	9,141,075	7,382.10	8,971,630	6,648.96
Personnel Expenses -				
Wages and Salaries	1,495,541	1,207.76	1,784,906	1,322.81
Social Security costs and expenses for retirement and support Benefits -- Of which for retirement benefits Euro Nil (P.Y Euro Nil)	286,664	231.50	299,232	221.76
Amortisation of intangible assets and depreciation of property plant and equipment	20,724	16.74	19,141	14.19
Other Operating Expenses	1,388,135	1,121.02	1,776,495	1,316.58
Oncome from participatory interests -- of which, from affiliated entities Euro Nil (P.Y Euro Nil.)	-	-	-	-
Income from a profit or loss transfer agreement	-	-	-	-
Other Interest and similar income -- of which, from affiliated entities Eur Nil (P.Y eur Nil)	-	-	-	-
Interest and Similar expenses -- of which, from affiliated entities EUR nil (P.Y Eur Nil) -- of which,from the interest on provisions EUR Nil (P.Y Eur Nil)	58	0.05	61	0.05
Taxes on Income	-	-	-	-
Profit Before taxes	(210,684)	(170.14)	(945,989)	(701.08)
Other Taxes	858	0.69	957	0.71
Loss for the period	(211,542)	(170.84)	(946,946)	(701.79)

[Translator's notes are in square brackets]

General Engagement Terms

for

Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften

[German Public Auditors and Public Audit Firms]

as of January 1, 2017

1. Scope of application

(1) These engagement terms apply to contracts between German Public Auditors (*Wirtschaftsprüfer*) or German Public Audit Firms (*Wirtschaftsprüfungsgesellschaften*) – hereinafter collectively referred to as "German Public Auditors" – and their engaging parties for assurance services, tax advisory services, advice on business matters and other engagements except as otherwise agreed in writing or prescribed by a mandatory rule.

(2) Third parties may derive claims from contracts between German Public Auditors and engaging parties only when this is expressly agreed or results from mandatory rules prescribed by law. In relation to such claims, these engagement terms also apply to these third parties.

2. Scope and execution of the engagement

(1) Object of the engagement is the agreed service – not a particular economic result. The engagement will be performed in accordance with the German Principles of Proper Professional Conduct (*Grundsätze ordnungsmäßiger Berufsausübung*). The German Public Auditor does not assume any management functions in connection with his services. The German Public Auditor is not responsible for the use or implementation of the results of his services. The German Public Auditor is entitled to make use of competent persons to conduct the engagement.

(2) Except for assurance engagements (*betriebswirtschaftliche Prüfungen*), the consideration of foreign law requires an express written agreement.

(3) If circumstances or the legal situation change subsequent to the release of the final professional statement, the German Public Auditor is not obligated to refer the engaging party to changes or any consequences resulting therefrom.

3. The obligations of the engaging party to cooperate

(1) The engaging party shall ensure that all documents and further information necessary for the performance of the engagement are provided to the German Public Auditor on a timely basis, and that he is informed of all events and circumstances that may be of significance to the performance of the engagement. This also applies to those documents and further information, events and circumstances that first become known during the German Public Auditor's work. The engaging party will also designate suitable persons to provide information.

(2) Upon the request of the German Public Auditor, the engaging party shall confirm the completeness of the documents and further information provided as well as the explanations and statements, in a written statement drafted by the German Public Auditor.

4. Ensuring independence

(1) The engaging party shall refrain from anything that endangers the independence of the German Public Auditor's staff. This applies throughout the term of the engagement, and in particular to offers of employment or to assume an executive or non-executive role, and to offers to accept engagements on their own behalf.

(2) Were the performance of the engagement to impair the independence of the German Public Auditor, of related firms, firms within his network, or such firms associated with him, to which the independence requirements apply in the same way as to the German Public Auditor in other engagement relationships, the German Public Auditor is entitled to terminate the engagement for good cause.

5. Reporting and oral information

To the extent that the German Public Auditor is required to present results in writing as part of the work in executing the engagement, only that written work is authoritative. Drafts are non-binding. Except as otherwise agreed, oral statements and explanations by the German Public Auditor are binding only when they are confirmed in writing. Statements and information of the German Public Auditor outside of the engagement are always non-binding.

6. Distribution of a German Public Auditor's professional statement

(1) The distribution to a third party of professional statements of the German Public Auditor (results of work or extracts of the results of work whether in draft or in a final version) or information about the German Public Auditor acting for the engaging party requires the German Public Auditor's written consent, unless the engaging party is obligated to distribute or inform due to law or a regulatory requirement.

(2) The use by the engaging party for promotional purposes of the German Public Auditor's professional statements and of information about the German Public Auditor acting for the engaging party is prohibited.

7. Deficiency rectification

(1) In case there are any deficiencies, the engaging party is entitled to specific subsequent performance by the German Public Auditor. The engaging party may reduce the fees or cancel the contract for failure of such subsequent performance, for subsequent non-performance or unjustified refusal to perform subsequently, or for unconscionability or impossibility of subsequent performance. If the engagement was not commissioned by a consumer, the engaging party may only cancel the contract due to a deficiency if the service rendered is not relevant to him due to failure of subsequent performance, to subsequent non-performance, to unconscionability or impossibility of subsequent performance. No. 9 applies to the extent that further claims for damages exist.

(2) The engaging party must assert a claim for the rectification of deficiencies in writing (*Textform*) [*Translators Note: The German term "Textform" means in written form, but without requiring a signature*] without delay. Claims pursuant to paragraph 1 not arising from an intentional act expire after one year subsequent to the commencement of the time limit under the statute of limitations.

(3) Apparent deficiencies, such as clerical errors, arithmetical errors and deficiencies associated with technicalities contained in a German Public Auditor's professional statement (long-form reports, expert opinions etc.) may be corrected – also versus third parties – by the German Public Auditor at any time. Misstatements which may call into question the results contained in a German Public Auditor's professional statement entitle the German Public Auditor to withdraw such statement – also versus third parties. In such cases the German Public Auditor should first hear the engaging party, if practicable.

8. Confidentiality towards third parties, and data protection

(1) Pursuant to the law (§ [Article] 323 Abs 1 [paragraph 1] HGB [German Commercial Code: *Handelsgesetzbuch*], § 43 WPO [German Law regulating the Profession of Wirtschaftsprüfer: *Wirtschaftsprüferordnung*], § 203 StGB [German Criminal Code: *Strafgesetzbuch*]) the German Public Auditor is obligated to maintain confidentiality regarding facts and circumstances confided to him or of which he becomes aware in the course of his professional work, unless the engaging party releases him from this confidentiality obligation.

(2) When processing personal data, the German Public Auditor will observe national and European legal provisions on data protection.

9. Liability

(1) For legally required services by German Public Auditors, in particular audits, the respective legal limitations of liability, in particular the limitation of liability pursuant to § 323 Abs. 2 HGB, apply.

(2) Insofar neither a statutory limitation of liability is applicable, nor an individual contractual limitation of liability exists, the liability of the German Public Auditor for claims for damages of any other kind, except for damages resulting from injury to life, body or health as well as for damages that constitute a duty of replacement by a producer pursuant to § 1 ProdHaftG [German Product Liability Act: *Produkthaftungsgesetz*], for an individual case of damages caused by negligence is limited to € 4 million pursuant to § 54 a Abs. 1 Nr. 2 WPO.

(3) The German Public Auditor is entitled to invoke demurs and defenses based on the contractual relationship with the engaging party also towards third parties.

(4) When multiple claimants assert a claim for damages arising from an existing contractual relationship with the German Public Auditor due to the German Public Auditor's negligent breach of duty, the maximum amount stipulated in paragraph 2 applies to the respective claims of all claimants collectively.

(5) An individual case of damages within the meaning of paragraph 2 also exists in relation to a uniform damage arising from a number of breaches of duty. The individual case of damages encompasses all consequences from a breach of duty regardless of whether the damages occurred in one year or in a number of successive years. In this case, multiple acts or omissions based on the same source of error or on a source of error of an equivalent nature are deemed to be a single breach of duty if the matters in question are legally or economically connected to one another. In this event the claim against the German Public Auditor is limited to € 5 million. The limitation to the fivefold of the minimum amount insured does not apply to compulsory audits required by law.

(6) A claim for damages expires if a suit is not filed within six months subsequent to the written refusal of acceptance of the indemnity and the engaging party has been informed of this consequence. This does not apply to claims for damages resulting from scienter, a culpable injury to life, body or health as well as for damages that constitute a liability for replacement by a producer pursuant to § 1 ProdHaftG. The right to invoke a plea of the statute of limitations remains unaffected.

10. Supplementary provisions for audit engagements

(1) If the engaging party subsequently amends the financial statements or management report audited by a German Public Auditor and accompanied by an auditor's report, he may no longer use this auditor's report.

If the German Public Auditor has not issued an auditor's report, a reference to the audit conducted by the German Public Auditor in the management report or any other public reference is permitted only with the German Public Auditor's written consent and with a wording authorized by him.

(2) If the German Public Auditor revokes the auditor's report, it may no longer be used. If the engaging party has already made use of the auditor's report, then upon the request of the German Public Auditor he must give notification of the revocation.

(3) The engaging party has a right to five official copies of the report. Additional official copies will be charged separately.

11. Supplementary provisions for assistance in tax matters

(1) When advising on an individual tax issue as well as when providing ongoing tax advice, the German Public Auditor is entitled to use as a correct and complete basis the facts provided by the engaging party – especially numerical disclosures; this also applies to bookkeeping engagements. Nevertheless, he is obligated to indicate to the engaging party any errors he has identified.

(2) The tax advisory engagement does not encompass procedures required to observe deadlines, unless the German Public Auditor has explicitly accepted a corresponding engagement. In this case the engaging party must provide the German Public Auditor with all documents required to observe deadlines – in particular tax assessments – on such a timely basis that the German Public Auditor has an appropriate lead time.

(3) Except as agreed otherwise in writing, ongoing tax advice encompasses the following work during the contract period:

a) preparation of annual tax returns for income tax, corporate tax and business tax, as well as wealth tax returns, namely on the basis of the annual financial statements, and on other schedules and evidence documents required for the taxation, to be provided by the engaging party

b) examination of tax assessments in relation to the taxes referred to in (a)

c) negotiations with tax authorities in connection with the returns and assessments mentioned in (a) and (b)

d) support in tax audits and evaluation of the results of tax audits with respect to the taxes referred to in (a)

e) participation in petition or protest and appeal procedures with respect to the taxes mentioned in (a).

In the aforementioned tasks the German Public Auditor takes into account material published legal decisions and administrative interpretations.

(4) If the German Public auditor receives a fixed fee for ongoing tax advice, the work mentioned under paragraph 3 (d) and (e) is to be remunerated separately, except as agreed otherwise in writing.

(5) Insofar the German Public Auditor is also a German Tax Advisor and the German Tax Advice Remuneration Regulation (*Steuerberatungsvergütungsverordnung*) is to be applied to calculate the remuneration, a greater or lesser remuneration than the legal default remuneration can be agreed in writing (*Textform*).

(6) Work relating to special individual issues for income tax, corporate tax, business tax, valuation assessments for property units, wealth tax, as well as all issues in relation to sales tax, payroll tax, other taxes and dues requires a separate engagement. This also applies to:

a) work on non-recurring tax matters, e.g. in the field of estate tax, capital transactions tax, and real estate sales tax;

b) support and representation in proceedings before tax and administrative courts and in criminal tax matters;

c) advisory work and work related to expert opinions in connection with changes in legal form and other re-organizations, capital increases and reductions, insolvency related business reorganizations, admission and retirement of owners, sale of a business, liquidations and the like, and

d) support in complying with disclosure and documentation obligations.

(7) To the extent that the preparation of the annual sales tax return is undertaken as additional work, this includes neither the review of any special accounting prerequisites nor the issue as to whether all potential sales tax allowances have been identified. No guarantee is given for the complete compilation of documents to claim the input tax credit.

12. Electronic communication

Communication between the German Public Auditor and the engaging party may be via e-mail. In the event that the engaging party does not wish to communicate via e-mail or sets special security requirements, such as the encryption of e-mails, the engaging party will inform the German Public Auditor in writing (*Textform*) accordingly.

13. Remuneration

(1) In addition to his claims for fees, the German Public Auditor is entitled to claim reimbursement of his expenses; sales tax will be billed additionally. He may claim appropriate advances on remuneration and reimbursement of expenses and may make the delivery of his services dependent upon the complete satisfaction of his claims. Multiple engaging parties are jointly and severally liable.

(2) If the engaging party is not a consumer, then a set-off against the German Public Auditor's claims for remuneration and reimbursement of expenses is admissible only for undisputed claims or claims determined to be legally binding.

14. Dispute Settlement

The German Public Auditor is not prepared to participate in dispute settlement procedures before a consumer arbitration board (*Verbraucherschlichtungsstelle*) within the meaning of § 2 of the German Act on Consumer Dispute Settlements (*Verbraucherstreitbeilegungsgesetz*).

15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

LUX ITALIA SRL

(a wholly owned subsidiary of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

Dott. Paolo Belleri
Dottore Commercialista
Revisore Legale

ORDINE DEI DOTTORI COMMERCIALISTI E DEGLI ESPERTI CONTABILI
BRESCIA

Independent practitioner's review report

To the Board of Directors of

Lux Italia S.r.l. in liquidazione

We have reviewed the accompanying financial information of Lux Italia S.r.l. in liquidazione, which comprise the balance sheet as at 31 Decembre 2018, the income statement for the year then ended and a summary of significant accounting policies of Lux Group and other explanatory information of Lux Italia S.r.l. in liquidazione.

Management's Responibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free form material misstatement, wheter due to fraud or error.

Practiotioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2004, Engagements to Review Historical financial information. ISRE 2004 requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, thaken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical precedures, and evaluates the evidence obtained.

Via Rodi n. 65
25124 Brescia

Email: studiobelleri@libero.it
Tel. 030.5030036
Fax 030.5100362

Dott. Paolo Belleri
Dottore Commercialista
Revisore Legale

Ordine dei Dottori Commercialisti e degli Esperti Contabili Brescia

The precedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to belive that this accompanying financial information as at and for the year ended 31 December 2018 is not prepared, in all material respects, in conformity with the accouting policies of Lux Group as stated in the explanotary information to this financial information.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our conclusion, we draw attention to the first paragraph of the explanatory information to the accompanying financial information, which describes the basis of accounting. This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidate financial information of the Lux Group. As a result, the financial information is not a competed set of financial information of Lux Italia S.r.l. in liquidazione in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, of the balance sheet as at 31 Decembre 2018, and of its financial permormances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than Lux Italia S.r.l. in liquidazione, Lux Internationa AG (Switzerland) and its shareholder Eureka Forbes Limited (India).

Brescia, 7 May 2019

Dott. Paolo Belleri

Revisore legale

Via Rodi n. 65
25124 Brescia

Email: studiobelleri@libero.it
Tel. 030.5030036
Fax 030.5100362

General information about the company

Personal data

Name:	LUX ITALIA SRL UNDER LIQUIDATION
Headquarters:	VIALE PARACELSO, 26 AGRATE BRIANZA MB
Share capital:	110,000.00
Fully paid-up share capital:	yes
CCIAA code:	MB
VAT number:	07422980156
Fiscal code:	07422980156
REA number:	1858389
Legal form:	LIMITED LIABILITY COMPANY
Main business sector (ATECO):	479910
Company in liquidation:	no
Company with a single shareholder:	yes
Company subject to management and coordination activities of others:	no
Name of the company or body that exercises management and coordination:	
Group membership:	no
Name of the holding company:	
Holding company country:	
Registration number in the register of cooperatives:	

Financial statements as at 31/12/2018
Condensed balance sheet

	31.12.18 Euro	31.12.18 INR Lakhs	31.12.17 Euro	31.12.17 INR Lakhs
Assets				
B) Fixed Assets				
I - Intangible fixed assets	9,216	7.32	14,211	10.85
II - Tangible fixed assets	4,238	3.37	6,387	4.87
Total fixed assets (B)	**13,454**	**10.69**	**20,598**	**15.72**
C) Current assets				
I - Inventories	389	0.31	12,793	9.76
II - Receivables	359,624	285.78	448,577	342.36
due within the following year	359,624	285.78	448,577	342.36
IV - Liquid funds	121,230	96.34	61,308	46.79
Total current assets (C)	***481,243***	***382.42***	***522,678***	***398.92***
D) Accrued income and prepayments	**11,971**	**9.51**	**4,995**	**3.81**
Total assets	***506,668***	***402.63***	***548,271***	***418.45***
Liabilities and shareholders' equity				
A) Shareholders' equity				
I - Share capital	110,000	93.46	110,000	93.46
VI - Other reserves	640,670	488.97	640,670	488.97
VIII - Retained earnings (accumulated losses)	-655,413	-488.17	-110,051	-83.99
IX - Profit (loss) for the year	-342,168	-276.33	-545,362	-404.17
Total Shareholders' Equity	***-246,911***	***-182.07***	***95,257***	***94.26***
Foreign Currency Translation Reserve (FCTR)	-	**-14.14**	-	**-21.56**
B) Reserves for contingencies and other charges	**122,134**	**97.05**	**80,242**	**61.24**
C) Total reserve for severance indemnities (TFR)	**25,910**	**20.59**	**48,143**	**36.74**
D) Payables	**605,535**	**481.19**	**324,629**	**247.76**
due within the following year	605,535	481.19	324,629	247.76
E) Accrued liabilities and deferred income	-	-	-	-
Total liabilities and shareholders' equity	***506,668***	***402.63***	***548,271***	***418.45***

Condensed P&L account

	31.12.18 Euro	31.12.18 INR Lakhs	31.12.17 Euro	31.12.17 INR Lakhs
A) Value of production				
1) Revenues from sales and services	1,358,840	1,097.37	1,541,771	1,142.62
5) Other income and revenues				
other	10,527	8.50	48,602	36.02
Total Other income and revenues	*10,527*	*8.50*	*48,602*	*36.02*
Total value of production	*1,369,367*	*1,105.87*	*1,590,373*	*1,178.64*
B) Cost of production				
6) Raw, ancillary and consumable materials and goods for resale	868,168	701.11	984,156	729.37
7) Services	293,524	237.04	376,264	278.85
8) Use of third party assets	113,748	91.86	97,128	71.98
9) Payroll and related costs				
a) wages and salaries	330,487	266.89	284,504	210.85
b) related salaries	65,027	52.51	76,468	56.67
c/d/e) severance, pensions and similar commitments and other costs	1,221	0.99	42,942	31.82
c) severance	1,221	0.99	14,872	11.02
e) other costs	-	-	28,070	20.80
Total payroll and related costs	396,735	320.39	403,914	299.34
10) Amortisation, depreciation and writedowns a/b/c) amortisation of intangible fixed assets, depreciation of tangible fixed assets and other amounts written off fixed assets	8,006	6.47	8,006	5.93
a) amortisation of intangible fixed assets	5,856	4.73	5,856	4.34
b) depreciation of tangible fixed assets	2,150	1.74	2,150	1.59
Total Amortisation, depreciation and writedowns	8,006	6.47	8,006	5.93
11) Changes in inventories of raw, ancillary and consumable materials and goods for Sale	12,403	10.02	30,232	22.41
12) Provisions for contingencies and other charges	-	-	74,500	55.21
14) Other operating expenses	6,348	5.13	146,315	108.44
Total cost of production	1,698,932	1,372.02	2,120,515	1,571.53
Difference between value and cost of production (A - B)	-329,565	-266.15	-530,142	-392.89
C) Financial income and expense				
16) Other financial income				
d) Income other than the above other	3,799	3.07	3,836	2.84
Total income other than the above	3,799	3.07	3,836	2.84
Total other financial income	3,799	3.07	3,836	2.84
17) Interest and other financial expense				
other	16,422	13.26	19,156	14.20
Total interest and other financial expense	16,422	13.26	19,156	14.20
17-bis) Currency gains and losses	20	0.02	100	0.07
Total financial income and expense (15 + 16 - 17 + - 17-bis)	-12,603	-10.18	-15,220	-11.28
Profit before taxes (A - B + - C + - D)	**-342,168**	**-276.33**	**-545,362**	**-404.17**
21) Net profit (loss) for the year	**-342,168**	**-276.33**	**-545,362**	**-404.17**

Explanatory note, initial part

Introduction

Dear Shareholders, these explanatory notes are an integral part of the financial statement at 31/12/2018.

The financial statement is prepared in abridged form as the limits established by Article 2435-bis of the Civil Code have not been exceeded for two consecutive years.

The financial statement complies with the provisions of Articles 2423 and following of the Civil Code and the national accounting principles published by the Italian Accounting Body; it therefore clearly and truthfully and correctly represents the asset and financial situation as well as the company's economic result for the year.

The contents of the balance sheet and the income statement are those provided for by Articles 2424 and 2425 of the Civil Code.

The explanatory note, drafted pursuant to Article 2427 of the Civil Code, also contains all the information needed to provide a correct interpretation of the financial statements.

This document will also provide the information required by numbers 3 and 4 of the art. 2428 of the Civil Code, because, as permitted by Article 2435-bis of the Civil Code, the management report has not been drawn up.

On March 18, 2019, the company's extraordinary shareholders' meeting resolved to liquidate the company, appointing as liquidator, Mr. Riccardo Marino. The effectiveness of the liquidation starts from 21 March 2019. Also due to the liquidation that took place during the first few months of 2019, the liquidator decided to resort to the provision of Article 2364 of the Civil Code, having the financial statements approved within 180 days of the end of the financial year.

Formation criteria

Drafting of the financial statement

The information contained in this document is presented in the order in which the relative items are indicated in the balance sheet and in the income statement.

With reference to what is indicated in the introductory part of these explanatory notes, we certify that, pursuant to Article 2423, 3rd paragraph of the Civil Code, if the information required by specific provisions of the law are not sufficient to give a true and correct representation of the business situation, the additional information deemed necessary for the purpose is provided.

The financial statement, as well as this explanatory note, have been drawn up in euro.

Principles of drafting

Comment

The valuation of the items in the financial statement took place in compliance with the principle of prudence, relevance and on a going concern basis. According to Article 2423 c.1 point 1-bis of the Civil Code, the recording and presentation of items shall be made taking into account the substance of the operation or contract. In preparing the financial statement, the incomes and expenses were recorded according to the principle of competence, regardless of the time of their appearance and only the profits realized at the end of the year were indicated. In addition, the risks and losses pertaining to the year have been taken into account, even if they were known after the end of the year.

Structure and content of the financial statement

The balance sheet, the income statement and the accounting information contained in these explanatory notes comply with the accounting entries, from which they were directly inferred.

In the statement of the balance sheet and the income statement, the items preceded by Arabic numerals have not been grouped together, as optionally provided for by Article 2423 ter of the Civil Code.

According to the Article 2424 of the Civil Code it is confirmed that no assets or liabilities fall under more than one item of the financial statement.

Exceptional cases pursuant to former Article 2423, fifth paragraph, of the Civil Code

Comment

No exceptional cases occurred that would require the use of derogations pursuant to Article 2423, paragraphs 4 and 5 of the Civil Code.

Changes in accounting principles

Comment

No exceptional cases occurred that would require the use of derogations pursuant to Article 2423-bis c.2 of the Civil Code.

Comparability and adaptation issues

Comment

In accordance with Article 2423 of the Civil Code, it should be noted that all the items in the financial statements were comparable with the previous year; there was therefore no need to adapt any item of the previous year.

Evaluation criteria applied

Comment

The criteria applied in the valuation of the items in the financial statements and in the value adjustments comply with the provisions of the Civil Code and with the indications contained in the accounting standards issued by the Italian Accounting Body. The same also did not change compared to the previous year.

According to Article 2427 c. 1 n. 1 of the Civil Code the following are the most significant valuation criteria adopted in compliance with the provisions of Article 2426 of the Civil Code, with particular reference to those items of the financial statement for which the legislator allows different evaluation and adjustment criteria or for which no specific criteria are laid down.

The company does not hold credits or debts in foreign currency at that year's end.

Intangible fixed assets

Applying the prerequisites laid down into accounting principles, intangible fixed assets are recorded in the balance sheet assets at purchase and /or production cost and are amortized on a straight-line basis according to their future usefulness.

The value of fixed assets is shown net of amortization and devaluation funds.

The amortization criterion of intangible assets has been applied systematically and in each financial year, in relation to the residual possibility of economic use of each asset or expense.

Pursuant to and for the purposes of Article 10 of the law No. 72 of 19 March 1983, and as also referred to by the subsequent monetary revaluation laws, it is specified that for the intangible assets still existing in the patrimony no monetary revaluation has ever been performed.

It should be noted that no write-downs pursuant to Article 2426 paragraph 1 no. 3 of the Civil Code since, as required by accounting standard OIC 9, no indicators of potential permanent losses in the value of intangible assets were found.

Intangible assets

Intangible assets are recognized at purchase cost including ancillary costs and are amortized within the legal or contractual limit set for them.

Tangible fixed assets

The assets belonging to the category of tangible fixed assets, shown at the date on which the transfer of the risks and benefits connected to the acquired asset takes place, are recorded in the financial statements at purchase cost, increased by any additional charges incurred up to the time when the assets are ready for use and in any case within the limits of their recoverable value. These assets are shown in the balance sheet assets net of the depreciation and write-down funds.

The depreciation criteria for tangible fixed assets have not changed from those applied in the previous year.

Pursuant to and for the purposes of Article 10 of the law No. 72 of 19 March 1983, and as also referred to by the subsequent monetary revaluation laws, shall be noted that for the tangible fixed assets still existing in the patrimony no monetary revaluation has ever been performed.

It should be noted that no write-downs were required pursuant to Article 2426 paragraph 1 no. 3 of the Italian Civil Code since, as provided by accounting standard OIC 9, no indicators of potential permanent losses in value of tangible fixed assets were found.

Financial leasing operations

Assets acquired under finance leases are accounted for, as required by the Legislator, according to the equity method with the recognition of lease payments among operating costs.

Inventories

Inventories of assets are valued at the lower of purchase cost and the realizable value based on market trends.

Receivables recorded in current assets

The receivables recorded under current assets have been valued at their presumed realizable value using the faculty granted by Article 2435-bis of the Civil Code; the adjustment to this value was made by allocating a provision for bad debts.

Cash

Cash are valued at nominal value.

Prepayments and accrued income

Prepayments and accrued incomes have been calculated on the basis of the principle of competence, by the breakdown the revenues and/or costs common to more than one year.

Net worth

The items are shown in the financial statements at their carrying amount according to the indications contained in the accounting standard OIC 28.

Provisions for risks and charges

Provisions for risks and charges have been allocated to cover liabilities whose existence is deemed certain or probable, for which the amount or date of occurrence cannot be determined at the end of the year.

Provisions were set up based on the principles of prudence and competence, observing the provisions of accounting standard OIC 31. The related provisions are recorded in the income statement for the year, based on the classification criterion "by nature" of costs.

Employee severance indemnity

The severance indemnity was calculated in accordance with Article 2120 of the Civil Code, taking into account the legislative provisions and the specificities of contracts and professional categories, and includes the annual amounts accrued and the revaluations made on the basis of the ISTAT (National Institute of Statistics) coefficients.

The amount of the provision is recognized net of the advances paid and the amount used for termination of the employment relationship during the year and represents the certain debt due to employees at the end of the balance sheet date.

Debts

The classification of the debts among the various debit items is made on the basis of the nature (or origin) of the latter with respect to the ordinary management regardless of the period of time within which the liabilities must be extinguished.

Debts have been shown in the financial statements at nominal value, using the faculty granted by Article 2435-bis of the Civil Code.

Other information

Comment

Repurchase transactions

The company, pursuant to Article 2427 n. 6-ter, certifies that during the year it did not carry out any transaction subject to the obligation of repurchase.

Explanatory note, assets

Introduction

The movements of the individual balance sheet items are analyzed in detail below, according to the provisions of current legislation.

Introduction

This paragraph of the Explanatory Notes analyses the movements regarding intangible assets, property, plant and equipment and financial assets.

The following is specified for each item of the fixed assets:

- the historical cost;
- previous revaluations, write-downs and depreciation of the fixed assets existing at the beginning of the fiscal year;
- acquisitions, movements from one item to another, disposals and eliminations occurring during the fiscal year;
- revaluations, writedowns and depreciation performed during the fiscal year;
- the final value of fixed assets.

Abbreviated analysis of assets

	Intangible fixed assets	Tangible fixed assets	Total assets
Year opening balance			
Cost	52,729	125,378	178,107
Amortisation (amortisation fund)	-37,192	-115,708	-152,900
Balance sheet value	15,537	9,670	25,207
Changes during the year			
Increases by acquisition	5,650		5,650
Amortisation (amortisation fund)	-5,856	-2,150	-8,006
Other changes	-1,120	-1,133	-2,253
Total changes	-1,326	-3,283	-4,609
Year closing balance			
Cost	57,259	124,245	181,504
Amortisation (amortisation fund)	-43,048	-117,858	-160,906
Balance sheet value	14,211	6,387	20,598
INR values Lakhs	**7.32**	**3.37**	**10.69**

Finance leases operations

Introduction

At the end of the year, the company has no financial leasing contract in progress.

Current assets

Introduction

The elements of the current assets are valuated as required by numbers 8 to 11-bis of article 2426 of the Italian Civil Code. The criteria utilized are indicated in the sections of the respective financial statements' items.

Inventory

Introduction

The goods inventories were entered at the lesser of the acquisition and/or production cost and of the realization value inferable from the market trend.

The acquisition cost includes any directly attributable accessory charges.

The production cost does not include the indirectly attributable costs as the latter were found not to be attributable according to an objective method.

Raw and subsidiary materials and consumables

The cost of the inventories of raw, auxiliary, and consumable materials having heterogeneous characteristics and not interchangeable with each other was calculated at specific costs, that is by assigning to the individual goods the costs specifically incurred for them. The value thus determined was appropriately compared, as required by art. 2426, n° 9 of the Italian Civil Code, to the realization value inferable from the market trend.

The comparison between acquisition/production cost and realizable value inferable from the market trend did not reveal, for any of the goods in the warehouse, the prerequisites for valuation on the basis of the lower market value.

Receivables included among current assets

Introduction

The credits entered among the current assets were valuated at their presumable realization value, exercising the right provided by art. 2435-bis of the Italian Civil Code.

Capitalized financial assets

Introduction

All of the interests and other financial expenses have been entirely expensed during the fiscal year. We declare that no capitalization of financial expenses exists for the purposes of article 2427, paragraph 1 of the Italian Civil Code.

Explanatory notes, liabilities and shareholders' equity

Introduction

The entries of the equity investment and the liabilities of the balance sheet were entered in accordance with the national accounting standards; the criteria specifically applied are indicated in the sections concerning the individual entries.

Shareholders' equity

Introduction

The items are entered in the financial statements at their accounting amount based on the indications contained in OIC accounting standard no. 28.

Comment

The following table shows the changes during the year in progress of the items that make up the shareholders' equity.

Description	Details	Opening balance	Increases	Shift in the item	Decreases	Final Balance	Absolute Variation	Variation %
Capital								
	Share capital	110,000	-	-	-	110,000	-	
	Totale	**110,000**	-	-	-	**110,000**	-	
INR Values Lakhs		**93.46**				**93.46**		
Capital Reserve								
	Loss coverage reserve	93,333	-	-	-	93,333	-	0%
	Reserve for capital account payments	545,750	-	-	-	545,750	-	
	Reserve for reduction of share capital	1,588	-	-	-	1,588	-	
	Reserve by difference of rounding to the unit	-	-	-	-	-	-	
	Rounding	-	-	-	-		-	
	Totale	**640,671**	-	-	-	**640,671**	-	
INR Values Lakhs		**488.97**				**488.97**		
Profits or losses carried forward								
	Losses Carried Forward	-110,051	-	-	-	-110,051	-	0%
	Totale	**-110,051**	-	-	-	**-110,051**	-	
Profit or loss for the year								
	Loss for the year	-545,362	-342,168	-	-	-887,530	-342,168	63%
	Totale	**-545,362**	**-342,168**	-	-	**-887,530**	**-342,168**	
INR Values Lakhs		**-488.17**				**-764.49**		

Debts

Payables secured by collateral on corporate assets

Introduction

Pursuant to and for the purposes of Article 2427 c.1 n.6 of the Civil Code, we certify that there are no debts with a duration exceeding five years and debts assisted by real guarantees on corporate assets.

Explanatory note, income statement

Introduction

The income statement shows the economic result of the year.

It provides a representation of management operations, through a summary of the positive and negative components of income that have contributed to determining the economic result. The positive and negative income components, recorded in the financial statements according to the provisions of Article 2425-bis of the Civil Code, are distinguished according to their belonging to the various managements: characteristic, accessory and financial.

The characteristic activity identifies the income components generated by operations that occur on a continuous basis and in the sector relevant to the management, which identify and qualify the peculiar and distinctive part of the economic activity carried out by the company, for which the same is finalized.

The financial activity consists of transactions that generate income and charges of a financial nature.

In a residual way, the ancillary activity consists of the operations that generate income components that are part of the ordinary activity but are not part of the characteristic and financial activity.

Value of production

Introduction

Revenues are recorded in the financial statements on an accrual basis, net of returns, allowances, discounts and premiums, as well as of the taxes directly related to them.

Revenues deriving from the provision of services are recorded when the service is rendered, or when the service has been performed; in the particular case of continuous services, the relative revenues are recorded for the amount accrued.

Production costs

Comment

Costs and charges are allocated on an accrual and in nature, net of returns, rebates, discounts and premiums, in compliance with the principle of correlation with revenues, and recorded in the respective items in accordance with the accounting standard OIC
12. Regarding the purchases of goods, the related costs are recorded when the substantial and non-formal passage of the title of ownership has occurred, assuming as a benchmark, for the substantial passage, the transfer of risks and benefits. In the case of the purchase of services, the relative costs are recorded when the service has been received, or when the service is completed, while, in the presence of continuous services, the relative costs are recorded for the amount accrued.

Financial incomes and charges

Introduction

Financial incomes and charges are recorded on an accrual basis in relation to the portion accrued during the year.

Comment

Exchange earnings/losses

Exchange differences recognized during the year are not significant.

Amount and nature of the individual elements of revenue/cost of exceptional entity or incidence

Introduction

During the current year, no revenues or other positive components were recognized deriving from events of exceptional entity or incidence.

Introduction

During the current year, there were no costs deriving from events of exceptional entity or incidence.

Current, deferred and prepaid income taxes

Introduction

Due to the negative result of the year there are no relevant taxes.

Deferred and prepaid taxes

No provision was made in the income statement for deferred tax assets or liabilities, as it is considered that the temporary differences between the theoretical tax charge and the actual tax charge are irrelevant in relation to the total taxable income.

Explanatory note, other information

Introduction

Other information required by the Civil Code are indicated below.

Fees, advances and credits granted to directors and auditors and commitments made on their behalf

Introduction

The company has not approved any compensation, nor are there any advances or credits in favor of the administrative body. Furthermore, the same did not undertake commitments on behalf of this body due to guarantees of any kind given.

Commitments, guarantees and contingent liabilities not resulting from the balance sheet

Introduction

There are no commitments, guarantees or contingent liabilities resulting from the balance sheet.

Information on transactions with related parties

Comment

During the year transactions were carried out with related parties; these are transactions concluded at market conditions, therefore, based on current legislation, no additional information is provided.

Information on agreements not resulting from the balance sheet

Comment

During the year, no agreement was carried out that did not result from the balance sheet.

Information on significant events occurring after the end of the year

Comment

With reference to point 22-quater of Article 2427 of the Civil Code, as regards the reporting of the main significant events that occurred after the close of the year that significantly affected the equity, financial and economic performance, please refer to what has already been indicated in the premises, relating to the liquidation of the company.

Companies drawing up the consolidated balance sheet of the smallest group of companies to which it belongs as a subsidiary

Introduction

In the following table, pursuant to Article 2427 n.22-sexies of the Civil Code, it's shown the name and the registered office of the company that prepares the consolidated financial statement of the smallest group of companies of which the company is a member as a consolidated company, are given below. It's also indicated the place where the copy of the consolidated financial statement is available.

Information relating to derivative financial instruments pursuant to Article 2427-bis of the Civil Code

Comment

It is hereby certified that no derivative financial instrument was subscribed.

Summary statement of the balance sheet of the company that carries out management and coordination activities

Introduction

According to the Article 2497-bis c. 4 of the Civil Code, we certify that the company is not subject to the management and coordination of others.

Own and parent company shares

Introduction

According to the Article 2435-bis and Article 2428, paragraph 3 nos. 3 and 4 of the Civil Code, it should be noted that the company, during the year, did not hold shares or shares in the parent company.

Proposed allocation of profits or loss coverage

Comment

Dear Shareholders, in light of the above, the administrative body proposes that you carry forward the loss for the year.

Explanatory note, final part

Comment

Dear Shareholders, we hereby confirm that these financial statements, consisting of a balance sheet, an income statement and an accompanying note, truthfully and correctly represent the financial position of the company, as well as the economic result for the year and correspond to the accounting entries. We therefore invite you to approve the draft financial statements at 31/12/2018 together with the proposal for the allocation of the operating result, as prepared by the administrative body.

The Financial statement is true and real and corresponds to the accounting records

Agrate Brianza, 03/31/2019

The liquidator

Dr. Riccardo Marino

LUX NORGE AS

(a subsidiary Company of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

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To the General Meeting of Lux Norge AS

Independent auditor's report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lux Norge AS showing a loss of NOK 1 791 034. The financial statements comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are prepared in accordance with law and regulations and give a true and fair view of the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Basis for Opinion

We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing (ISAs). 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 as required by laws and regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director (management) are responsible for the preparation in accordance with law and regulations, including fair presentation of the financial statements in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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. The financial statements use the going concern basis of accounting insofar as it is not likely that the enterprise will cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors 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.

Report on Other Legal and Regulatory Requirements

Opinion on Registration and Documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the International Standard on Assurance Engagements *(ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, it is our opinion that management has fulfilled its duty to produce a proper and clearly set out registration and documentation of the Company's accounting information in accordance with the law and bookkeeping standards and practices generally accepted in Norway.

Other Matters

The company has in the beginning of the year, failed to deposit employees' tax deductions in accordance with the Norwegian Tax Payment Act section 5-12.

Oslo, 10 April 2019
KPMG AS

Svein Wiig
State Authorised Public Accountant
(This document is signed electronically)

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Svein Christian Wiig
Partner
Serienummer: 9578-5994-4-770793
IP: 80.232.xxx.xxx
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ANNUAL REPORT 2018

LUX NORGE AS

Org. no: 911 371 626

Annual Report
Financial Statement
Balance Sheet
Note to the Accounts
Auditors Report

INCOME STATEMENT
LUX NORGE AS

		2018		2017	
OPERATING INCOME AND OPERATING EXPENSES	**Not**	**NOK**	**INR - Lakhs**	**NOK**	**INR - Lakhs**
Revenue	2	27,762,492	2,322.11	29,603,559	2,309.28
Other operating income		822,856	68.83	835,166	65.15
Operating Income		**28,585,348**	**2,390.94**	**30,438,725**	**2,374.43**
Cost of Goods Sold		7,856,582	657.14	10,646,568	830.51
Payroll expenses	3	12,823,266	1,072.56	11,561,110	901.85
Depreciation and amortisation expense	5	144,000	12.04	143,343	11.18
Other operating expenses	3	9,722,628	813.22	8,900,491	694.30
Operating expenses		**30,546,476**	**2,554.97**	**31,251,512**	**2,437.84**
Operating profit		**(1,961,128)**	**(164.03)**	**(812,787)**	**(63.40)**
FINANCIAL INCOME AND EXPENSES					
Other interest income		1,233	0.10	126,768	9.89
Other financial income		79,917	6.68	200,123	15.61
Interest expense to group entities		(436,229)	(36.49)	128,338	10.01
Other Interest expenses		1,098	0.09	29,197	2.28
Other financial expenses		346,187	28.96	468,053	36.51
Net financial income and expenses		**170,094**	**14.23**	**(298,697)**	**(23.30)**
Operating result before tax		(1,791,034)	(149.81)	(1,111,484)	(86.70)
Tax on ordinary result	4	-	-	4,490,082	350.26
Operating result after tax		**(1,791,034)**	**(149.81)**	**(5,601,566)**	**(436.96)**
EXTRAORDINARY INCOME AND EXPENSE					
Annual net profit	7	**(1,791,034)**	**(149.81)**	**(5,601,566)**	**(436.96)**

Brought Forward				
Loss brought forward	(1,791,034)	(149.81)	(5,601,566)	(436.96)
Net brought forward	(1,791,034)	(149.81)	(5,601,566)	(436.96)

BALANCE SHEET
LUX NORGE AS

ASSETS	2018 NOK	2018 INR Lakhs	2017 NOK	2017 INR Lakhs
FIXED ASSETS				
INTANGIBLE FIXED ASSETS				
Concessions, Patents, Licenses, Trademarks and similar rights	100,000	8.00	100,000	7.75
Deferred tax asset	-	-	-	-
Total intangible assets	**100,000**	**8.00**	**100,000**	**7.75**
TANGIBLE FIXED ASSETS				
Equipment and other movables	119,938	9.59	263,938	20.46
Total tangible fixed assets	**119,938**	**9.59**	**263,938**	**20.46**
FINANCIAL FIXED ASSETS				
Investments in shares	1	0.00	20,000	1.55
Other receivables	41,976	3.36	75,600	5.86
Total financial fixed assets	**41,977**	**3.36**	**95,600**	**7.41**
Total fixed assets	**261,915**	**20.94**	**459,538**	**35.62**
CURRENT ASSETS				
Inventories	2,559,642	204.65	2,310,438	179.09
DEBTORS				
Accounts receivables	3,587,676	286.84	3,933,999	304.94
Other receivables	93,874	7.51	315,523	24.46
Total debtors	**3,681,550**	**294.35**	**4,249,522**	**329.40**
INVESTMENTS				
Cash and bank deposits	2,059,967	164.70	2,084,075	161.54
Total current assets	**8,301,159**	**663.69**	**8,644,035**	**670.03**
Total assets	**8,563,073**	**684.63**	**9,103,573**	**705.65**

BALANCE SHEET
LUX NORGE AS

EQUITY AND LIABILITIES RESTRICTED EQUITY	2017 NOK	2017 INR lakhs	2016 NOK	2016 INR lakhs
Share capital	8,500,000	725.28	8,500,000	725.28
Other paid-in equity	10,500,000	813.90	10,500,000	813.90
Total restricted equity	**19,000,000**	**1,539.18**	**19,000,000**	**1,539.18**
RETAINED EARNINGS				
Other equity	(19,421,466)	(1,527.27)	(17,630,432)	(1,377.47)
FCTR	-	(45.60)	-	(55.55)
Total retained earnings	**(19,421,466)**	**(1,572.87)**	**(17,630,432)**	**(1,433.02)**
Total equity	**(421,466)**	**(33.70)**	**1,369,568**	**106.16**
LIABILITIES				
PROVISIONS				
Pension liabilities	-	-	-	-
OTHER LONG-TERM LIABILITIES				
Other long term liabilities	3,528,960	282.15	1,869,326	144.90
Subordinated loans	-	-	-	-
Total of other long term liabilities	**3,528,960**	**282.15**	**1,869,326**	**144.90**
CURRENT LIABILITIES				
Liabilities to financial institutions	-	-	-	-
Trade creditors	1,439,417	115.08	1,601,981	124.18
Public duties payable	1,322,164	105.71	1,106,589	85.78
Other short term liabilities	2,693,998	215.39	3,156,109	244.64
Total short term liabilities	**5,455,579**	**436.18**	**5,864,679**	**454.59**
Total liabilities	**8,984,539**	**718.33**	**7,734,005**	**599.49**
Total equity and liabilities	**8,563,073**	**684.63**	**9,103,573**	**705.65**
	-	-	-	-

LUX Norge AS

NOTE 1 ACCOUNTING PRINCIPLES

The annual accounts have been prepared in conformity with the provisions of the Accounting Act and good accounting practice.

Lux Norge AS is included in the consolidated financial statement prepared by Lux International AG. The consolidated financial statement can be found at www.luxinternational.com.

Revenues

Income from the sale of goods is recognised on the date of delivery.

Classification and valuation of assets and liabilities

Fixed assets consist of assets intended for long-term ownership and use. Other assets are classified as current assets. Current assets and short-term liabilities consists normally of items that fall due payment within one year of the balance sheet date.

Fixed assets are valued at acquisition cost less depreciation and write-downs. Plant and equipment is capitalised and appreciated over the economic lifetime of the assets. The write-down is reversed when the basis for the write-down is no longer present. Long-term liabilities are entered on the balance sheet at the nominal amount of the transaction.

Current assets are valued at the lower of acquisition cost and fair value. Short-term liabilities are entered on the balance sheet at the nominal amount at the time of the transaction.

Some items are valued by other rules, as explained below.

Foreign currency

Foreign currency transactions are translated at the exchange rate on the date of the transaction. Monetary foreign currency items are translated to NOK at the exchange rate on the balance sheet date.

Goods

Goods are valued at the lower of acquisition cost and net sale value. Sale value is the estimated sale price in ordinary operations after deduction of estimated necessary expenses for completing the sale.

Acquisition cost includes expenses incurred in acquiring goods and costs necessary to bring the goods to the present position.

Receivables

Receivables from customers and other receivables are entered at par value after deducting a provision for expected losses. The provision for losses is made on the basis of an individual assessment of the respective receivables. In addition an unspecified provision is made to cover expected losses on claims in respect of customer receivables.

Pension Arrangements

The Company has entered into a pension contract with its employees according to the Norwegian Law on required occupational pension ("Lov om obligatorisk tjenestepensjon") . The arrangement is a deposit based arrangement. The Company has no further payment obligations after the deposits have been paid. The deposits are recorded as payroll expences when due

Tax

The tax charge in the profit and loss account consists of tax payable for the period and the change in deferred tax. Deferred tax is calculated at the tax rate at 22 % on the basis of tax-reducing and tax- increasing temporary differences that exist between accounting and tax values, and the tax loss carried forward at the end of the accounting year. Tax-increasing and tax-reducing temporary differences that reverse or may reverse in the same period are set off and entered net. The net deferred tax receivable is entered on the balance sheet to the extent that it is likely that it can be utilised.

NOTE 2 SALES REVENUE

Company revenue occurring through direct sales of vacuum cleaners and air fresheners to private customers and business customers in Norway.

NOTE 3 SALARY COSTS AND BENEFITS, REMUNERATION TO THE CHIEF EXECUTIVE, BOARD AND AUDITOR

Salary costs	2018	2018	2017	2017
	NOK	INR Lakhs	NOK	INR Lakhs
Salaries	10,832,652	906.06	10,985,841	856.97
Employment tax	1,405,295	117.54	1,533,830	119.65
Pension costs	175,632	14.69	(1,306,073)	(101.88)
Other benefits	409,687	34.27	347,512	27.11
Total	**12,823,266**	**1,072.56**	**11,561,110**	**901.85**
Number of employees	35		33	
Benefits (in NOK)	Managing director		Board of directors	
Fixed salary	1,328,364	111.11	-	-
Other remuneration	161,270	13.49	-	-
Pension	35,508	2.97	-	-
Total	**1,525,142**	**127.57**	-	-

General manager has a bonus agreement.It is not paid remuneration for Board members.
There is no loan / collateral to the general manager, deputy managers or other related parties.

Mandatory occupational (OTP)

The company is obliged to have a mandatory occupational scheme according to the Act of Mandatory Occupational. The company has established a pension scheme that meets the requirements in the Act of Mandatory Occupational.

Audit fees	2018	2018
	NOK	INR Lakhs
Audit	139,000	11.63
Technical assistance for annual report	13,500	1.13
Technical assistance for tax papers	13,500	1.13
Other services	145,400	12.16
Authorization services	30,000	2.51
Total	**341,400**	28.56

Other operating expenses

Increase in costs for external consultants and provisions for losses are the main reason for the increase in other operating expenses compared with last year.

NOTE 4 TAX

This year's tax expense	2018	2018	2017	2017
	NOK	INR Lakhs	NOK	INR Lakhs
Entered tax on ordinary profit/ loss: Payable tax	-	-	-	-
Changes in deferred tax advantage	-	-	4,490,082	350.26
Tax expense on ordinary profit/ loss	-	-	4,490,082	350.26
Taxable income: Ordinary profit/ loss before tax	(1,791,034)	(149.81)	(1,111,484)	(86.70)
Permanent differences	100,059	8.37	59,622	4.65
Changes temporary differences	(636,310)	(53.22)	(7,123,998)	(555.72)
Taxable income	(2,327,285)	(194.66)	(8,175,860)	(637.77)
Payable tax in the balance: Payable tax on this year's result	-	-	-	-
Total payable tax in the balance	-	-	-	-

The tax effect of temporary differences and loss for to be carried forward that has formed the basis for deferred tax and deferred tax advantages, specified on type of temporary differences:

	2018	2018	2017	2017
	NOK	INR Lakhs	NOK	INR Lakhs
Tangible fixed assets	(203,885)	(16.30)	(157,222)	(12.19)
Stock	(200,000)	(15.99)	(200,000)	(15.50)
Accounts receivable	(851,605)	(68.09)	(1,349,768)	(104.63)
Allocations and more	(389,230)	(31.12)	(582,746)	(45.17)
Pension premium / liabilities	13,114	1.05	21,819	1.69
Total	(1,631,606)	(130.45)	(2,267,917)	(175.80)
Accumulated loss to be brought forward	(23,136,582)	(1,935.19)	(20,809,296)	(1,623.27)
Not included in the deferred tax calculation	24,768,189	2,071.66	23,077,213	1,800.18
Basis for calculation of deferred tax	-	-	-	-
Deferred tax (24 % / 25 %)	-	-	-	-

NOTE 5 FIXED ASSETS

	Inventory/ machines	Vehicles	Other fixed	Total plant and equipment	INR Lakhs
Assets					
Acquisition cost 01.01.2018	1,357,655	512,205	17,268	1,887,128	150.88
Addition purchased	-	-	-	-	-
Disposal of sold	-	-	-	-	-
Acquisition cost 31.12.2018	1,357,655	512,205	17,268	1,887,128	150.88
Accumulated depreciation 31.12.18	1,307,979	447,455	11,756	1,767,190	147.81
Accumulated write-downs 31.12.18	-	-	-	-	-
Reversed write-downs 31.12.18	-	-	-	-	-
Book value as at 31.12.2018	49,676	64,750	5,512	119,938	3.07
The year's depreciation	48,000	90,000	6,000	144,000	12.04
Economic lifetime	3-10year	3-5year	3-10year		
Depreciation rates	10-33%	10-33%	10-33%		

NOTE 6 SHARE CAPITAL AND SHAREHOLDERS

Share capital	Total	Price per share	Total share capital	INR Lakhs
Ordinary shares	95,000	200	19,000,000	1,539.18
Total			19,000,000	1,539.18

Shareholders	Number of shares	shareholding
Lux International AG	95,000	1
Total	95,000	1

NOTE 7 EQUITY

	Share Capital	Other equity capital	Total equity capital	FCTR	Total equity capital
Equity capital 01.01.2018	19,000,000	(17,630,432)	1,369,568	-	1,369,568
Capital increase, not registered *)	-	-	-	-	-
Changes in Previous year	-	-	-	-	-
Result for the year	-	(1,791,034)	(1,791,034)	-	(1,791,034)
Equity capital 31.12.2018	19,000,000	(19,421,466)	(421,466)	-	(421,466)
INR Lakhs	1,539.18	(1,527.27)	11.90	(45.60)	(33.70)

The Company has negative equity. The Board of Lux Norge followed up and fulfilled its responsibilities. Decision on a capital increase by debt conversion of NOK 1,500,000 (INR 119.93 Lakhs) was made in December 2018; the formal process and registration of this capital increase take place in April 2019

NOTE 8 CASH AND CASH EQUIVALENTS

The company restricted bank deposits pr 31.12 are NOK 476,882. (INR 33.07 Lakhs) Tax deductions payable pr 31.12 are NOK - 412986. INR (33.02 Lakhs)

The company has kept tax deduction funds in accordance with the Tax Payment Act.

NOTE 9 RECEIVABLES AND PAYABLES

Trade Receivables	2018 NOK	2018 INR Lakhs	2017 NOK	2017 INR Lakhs
Receivables	5,037,676	402.77	5,797,887	449.42
Loss account receivables	(1,380,000)	(110.33)	(1,863,889)	(144.48)
Provision Deferred income	(70,000)	(5.60)	(52,848)	(4.10)
Total	3,587,676	286.84	3,881,150	300.84
Other short-term receivable				
Other receivables (payroll) - including loss provision	69,962	5.59	158,158	12.26
Prepaid / Interim Expenses	23,912	1.91	210,213	16.29
Total	93,874	7.51	368,371	28.55
Trade Payables				
Accounts Payable	(864,823)	(69.14)	(1,601,980)	(124.18)
Inter Company Accounts Payables	(574,595)	(45.94)	-	-
Total	(1,439,418)	(115.08)	(1,601,980)	(124.18)

NOTE 10 TRANSACTIONS BETWEEN RELATED PARTIES

Intercompany	**2018**	**2018**	**2017**	**2017**
	NOK	**INR Lakhs**	**NOK**	**INR Lakhs**
Loan from Lux International AG, Sveits	3,528,960	282.15	1,869,326	144.90
Total	3,528,960	282.15	1,869,326	144.90

LUX OESTERREICH GMBH

(a subsidiary Company of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

4. Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

Lux Österreich GmbH,
Schwechat, Austria,

which comprise the Balance Sheet as of 31 December 2018, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2018 and its financial performance for the year then ended, in accordance with Austrian Generally Accepted Accounting Principles.

Basis for our Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian Generally Accepted Accounting Principles and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our liability as auditors is guided under Section 275 UGB

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also 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 .

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, are free from material misstatements – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

— We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misprepresentations or the override of internal control.

— We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

— We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

— We 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 audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit 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.

— We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Vienna, 08. March 2019

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Mag. Thomas Smrekar
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This report is a translation of the original report in German, which is solely valid.
The financial statements together with our auditor's opinion may only be published if the financial statements are identical with the audited version attached to this report. Section 281 Paragraph 2 UGB (Austrian Commercial Code) applies.

Lux Österreich GmbH
Schwechat

Statement of Financial Position as of 31 December 2018

ASSETS

	31-12-2018				31-12-2017			
	EUR		INR - Lakhs		EUR		INR - Lakhs	
A. Fixed Assets								
I. Intangible Assets								
1. Licences		125		0.10		875		0.67
II. Tangible Assets								
1. Other plants, furniture and fixtures		7,996		6.35		11,906		9.09
III. Financial assets								
1. Securities		55,678		44.24		56,745		43.31
		63,799		50.70		69,526		53.06
B. Current assets								
I. Inventories								
1. Finished goods and merchandise		159,229		126.53		167,038		127.49
II. Accounts receivable								
1. Accounts receivable from trade	1,545,829		1,228.40		1,506,303		1,149.63	
2. Accounts receivable from affiliated companies	408,190		324.37		419,297		320.01	
# Other receivables and assets	33,996	1,988,015	27.02	1,579.78	16,581	1,942,181	12.65	1,482.30
III. Cash on hand and in banks		38,947		30.95		27,919		21.31
		2,186,191		1,737.27		2,137,138		1,631.10
C Prepaid expenses		-		-		13,523		10.32
		2,249,990		1,787.96		2,220,187		1,694.48

LIABILITIES AND SHAREHOLDERS EQUITY

	31-12-2017				31-12-2016			
	EUR		INR - Lakhs		EUR		INR - Lakhs	
A. Shareholder's equity								
I. Share capital		500,000		424.80		500,000		424.80
II. Additional Paid in Capital								
1. Unappropriated		400,000		305.29		400,000		305.29
III. Net profit/loss		(621,165)		(466.93)		(522,232)		(544.01)
thereof profit carryforward EUR (522,232) (INR Lakhs (544.01))								
(PY: EUR 211,822) (INR Lakhs I56.98))		278,835		263.16		377,768		186.07
Foreign Currency Translation Reserve				(41.58)				102.25
B. Accruals								
1. Accrued severance payments	32,000		25.43		100,000		76.32	
2. Accrued pensions	58,667		46.62		55,470		42.34	
3. Accrued income taxes	-		-		-		-	
4. Other accruals	185,136	275,803	147.12	219.17	268,162	423,632	204.67	323.32
C. Liabilities								
1. Bank loans and overdrafts	920,514		731.49		1,000,086		763.28	
2. Accounts payable from trade	7,913		6.29		26,233		20.02	
3. Accounts payable to affiliated companies	359,757		285.88		18,660		14.24	
4. Other liabilities								
thereof due to taxes: EUR 95,511,06 (INR Lakhs 72.89)								
(PY: TEUR115.551,70); (INR Lakhs 82.39)								
thereof due to social security: EUR 29,043,76 (INR Lakhs 22.16)								
(PY: 34.335,96 (INR Lakhs 24.48)	407,168	1,695,352	323.56	1,347.22	373,808	1,418,787	285.30	1,082.84
				-				-
		2,249,990		1,787.96		2,220,187		1,694.48
		-		-		-		-

Lux Österreich GmbH
Schwechat
Income Statement for the year ended 31 December 2018

PARTICULARS	INCOME STATEMENT FOR FY 2018				INCOME STATEMENT FOR FY 2017			
	EUR		INR - Lakhs		EUR		INR - Lakhs	
1. Net sales		4,063,621		3,281.68		3,989,847		2,956.92
2. Other operating income Income from Disposal and revaluation of fixed assets excluding								
a) Financial Assets	12,463		10.06		40,866		30.29	
b) Income from the reversal of accruals	16,984		13.72		14,489		10.74	
c) Sundry	12,336	41,783	9.96	33.74	14,839	70,194	11.00	52.02
3. Cost of materials and other purchased production services a) Cost of materials		(1,027,293)		(829.62)		(1,016,185)		(753.10)
4. Personnel expenses								
a) Wages and Salaries	(1,705,603)		(1,377.40)		(1,802,302)		(1,335.70)	
b) Expenses for social benefits thereof expenses for pensions Euro 5007 - INR Lakhs 4.04 (PY Nil)	- (347,693)	(2,053,296)	(280.79)	(1,658.19)	- (401,536)	(2,203,838)	(297.58)	(1,633.29)
5. Amortization and depreciation		(4,926)		(3.98)		(214,826)		(159.21)
6. Other operating expenses a) Sundry		(1,234,826)		(997.21)		(1,485,279)		(1,100.76)
7. Subtotal from line 1 to 6 (EBIT)		**(214,937)**		**(173.58)**		**(860,087)**		**(637.42)**
8. Income from other long-term securities		970		0.78		970		0.72
9. Other interest and similar income thereof from affiliated companies: EUR 11,475.58 INR Lakhs 9.27 (PY: TEUR 10,831) (INR 801,383)		152,668		123.29		160,998		119.32
10. Income from disposal and revaluation of financial assets and short-term securities		-		-		-		-
11 Expenses for financial assets thereof depreciation: EUR 1,358 INR Lakhs 1.10 (PY: TEUR 0) (INR nil)		(1,067)		(0.86)		(1,358)		(1.01)
12. Interest and similar expenses thereof for affiliated companies: EUR 0,00 (INR Nil) (PY: TEUR 0)(INR Nil)		(33,067)		(26.70)		(34,539)		(25.60)
13. Subtotal from line 8 to 11 (Financial result)		**119,504**		**96.51**		**126,071**		**93.43**
14. Result before Tax		**(95,433)**		**(77.07)**		**(734,016)**		**(543.99)**
15. Taxes on income		(3,500)		(2.83)		-		-
16. Net loss for the year / Net Income		**(98,933)**		**(79.90)**		**(734,016)**		**(543.99)**
17. Merger Loss		-		-		(38)		(0.03)
18. Loss for the year / Profit		**(98,933)**		**(79.90)**		**(734,054)**		**(544.01)**
19. Profit carried forward from prior year		(522,232)		(387.03)		211,822		156.98
20. Net profit		**(621,165)**		**(466.93)**		**(522,232)**		**(387.03)**

LUX SCHWEIZ AG

(a wholly owned subsidiary of Lux International AG)

Financial Statements

For the Year ended December 31, 2018

KPMG

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Independent practitioner's review report to the Board of Directors of

Lux Switzerland Ltd, Küsnacht (Switzerland)

We have reviewed the accompanying financial information of Lux Switzerland Ltd, which comprise the balance sheet as at 31 December 2018, the income statement for the year then ended, and a summary of significant accounting policies of Lux Group and other explanatory information (on pages 1 to 4).

Management's Responsibility for the financial information

Management is responsible for the preparation of this financial information in accordance with the accounting policies of Lux Group as stated in the explanatory information to this financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical financial information. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in conformity with the applicable accounting policies of Lux Group as stated in the explanatory information to this financial information. This standard also requires us to comply with relevant ethical requirements.

A review of financial information prepared for consolidation purposes in accordance with ISRE 2400 (revised) is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with international standards on auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that this accompanying financial information as at and for the year ended 31 December 2018 is not prepared, in all material respects, in conformity with the accounting policies of Lux Group as stated in the in the explanatory information to this financial information.

Lux Switzerland Ltd, Küsnacht (Switzerland)
Independent practitioner's review report
to the Board of Directors

Restriction on Use

This financial information has been prepared for purposes of providing to Lux International AG to enable it to prepare the consolidated financial information of the Lux group. As a result, the financial information is not a completed set of financial information of Lux Switzerland Ltd (Switzerland) in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2018, and of its financial performances. The financial information may, therefore not be suitable for another purpose and should not be used by parties other than Lux Switzerland Ltd (Switzerland), Lux International AG (Switzerland) and Eureka Forbes Limited (India).

KPMG AG

Roman Wenk
Licensed Audit Expert
Auditor in Charge

Yvonne Lingg
Licensed Audit Expert

Zurich, 14 March 2019

Enclosure:
- Financial information (balance sheet, income statement and a summary of significant accounting policies and other explanatory information (on pages 1 to 4)

Lux Switzerland

Statement of Financial Position as of 31st December 2017

ASSETS	31.12.2017		31.12.2016	
	CHF	INR Lakhs	CHF	INR Lakhs
A. FIXED ASSETS				
I Intangible Assets	-	-	-	-
II Tangible Assets	-	-	-	-
1. Motor vehicles	-	-	-	-
III Financial Investments				
1. Long term accounts receivable from trade	-	-	-	-
1. Long term loans third parties	32,000	22.58	82,000	53.51
	32,000	22.58	82,000	53.51
B. CURRENT ASSETS				
I. Inventories				
1. Finished goods and merchandise	32,000	22.58	94,000	61.34
II. Receivables				
1. Accounts receivable from trade	350,000	246.94	405,000	264.30
2. Receivables intercompany	-	-	1,000	0.65
3. Other receivables third parties	5,000	3.53	7,000	4.57
	355,000	250.47	413,000	269.52
III. Cash on hand and in banks, checkes	31,000	21.87	232,000	151.40
	418,000	294.91	739,000	482.26
C. PREPAYMENTS				
1. Prepaid expenses	2,000	1.41	6,000	3.92
TOTAL ASSETS	**452,000**	**318.90**	**827,000**	**539.69**

LIABILITIES AND SHAREHOLDER'S EQUITY	31.12.2017		31.12.2016	
	CHF	INR Lakhs	CHF	INR Lakhs
A. SHAREHOLDER'S EQUITY				
I Share capital	100,000	69.37	100,000	69.37
II Capital reserves	12,000	7.23	12,000	7.23
III Revenue Reserves	122,000	81.14	-	-
IV Retained earnings	262,000	174.25	255,000	168.70
V Dividend	-249,000	-175.68	-165,000	-107.68
VI Net profit	-99,000	-69.55	294,000	194.37
FCTR		17.65		-8.31
	148,000	104.42	496,000	323.68
B. PROVISIONS				
I Provision for guarantees (long term)	14,000	9.88	9,000	5.87
II Provision for restructuring (short term)	-	-	-	-
III Other provision (short term)	88,000	62.09	47,000	30.67
	102,000	71.96	56,000	36.54
C. LIABILITIES				
I Current liabilities				
1. Current liabilities accounts external	35,000	24.69	57,000	37.20
2. Current liabilities accounts intercompany	27,000	19.05	27,000	17.62
3. Current liabilities against public institutions	5,000	3.53	11,000	7.18
3. Other current liabilities third parties	135,000	95.25	179,000	116.81
	202,000	142.52	274,000	178.81
II Bank overdrafts				
1. Cash in transit	-	-	1,000	0.65
TOTAL EQUITY AND LIABILITIES	**452,000**	**318.90**	**827,000**	**539.69**

Lux Switzerland Ltd

Income Statement for the year ended 31st December 2018

	31.12.2018			31.12.2017		
	TCHF	**CHF**	**INR - Lakhs**	**TCHF**	**CHF**	**INR - Lakhs**
1 Net Sales	1.632	1.632.000	1.146.47	2.686	2.686.000	1.775.75
2 Other operating Income	-	-	-	-	-	-
3 Cost of Materials and other purchased production services	-305	-305,000	-214.26	-510	-510,000	-337.17
4 Personnel expenses	-1.042	-1.042.000	-732.00	-1.596	-1.596.000	-1.055.13
5 Amortization and depreciation of tangible and intangible assets	-	-	-	-	-	-
6 Other operating expenses	-351	-351.000	-246.57	-237	-237.000	-156.68
7 Subtotal from line 1 to 5 (EBIT)	-66	-66.000	-46.36	343	343.000	226.76
8 Exchange difference	-12	-12.000	-8.43	-26	-26.000	-17.19
9 Financial result	-12	-12.000	-8.43	-26	-26.000	-17.19
10 Result before tax	**-78**	**-78.000**	**-54.79**	**317**	**317.000**	**209.57**
11 Taxes on income	21	21.000	14.75	23	23.000	15.21
12 Profit for the year	**-99**	**-99.000**	**-69.55**	**294**	**294.000**	**194.37**
13 Profit carried forward from prior year	-	-	-	-	-	-
14 Net profit	**-99**	**-99,000**	**-69.55**	**294**	**294,000**	**194.37**

Significant accounting policies of Lux Group and other explanatory information of Lux Switzerland Ltd

Basis of preparation and explanatory information

The financial information of Lux Switzerland Ltd have been prepared for purposes of providing Lux International AG and its subsidiaries (Lux Group) to enable to prepare the consolidated financial information of the group. The consolidated financial statements constitute a true and fair view of the Lux group's financial position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of Lux Switzerland Ltd is not a completed set of financial information of in accordance with Swiss GAAP FER and is not intend to give a true and fair view, in all material aspects, the balance sheet as at 31 December 2017, and its financial performances. The financial information may, therefore not be suitable for another purposes.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks, other short term and highly liquid investments with original maturities of three months or less from the balance sheet date.

Restricted cash and cash equivalents

Restricted cash and cash equivalents includes funds that are not available for on-going operations.

Accounts receivable

Accounts receivable are initially recorded at their nominal value after deduction of hire purchase charges not due. All receivables are value adjusted according to the time they are overdue.

• not due (hire purchase only)	1 %
• overdue up to one month	5 %
• overdue 1 to 2 months	25 %
• overdue 2 to 4 months	50 %
• overdue 4 to 6 months	80 %
• overdue 6 months and more	100 %

In any case, an additional provision for doubtful trade receivables is made if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Indicators that the trade receivable is impaired might be significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, financial reorganisation and default or delinquency in payments. The amount of the provision is recognised in the income statement within Net Credit Direct Sales (CDS) result.

Hire purchase (HP) charges

Charges to the customer arising from sales on credit are only reported as income to the extent that the charges are due. Unearned charges are calculated on an annuity basis over the period of the hire purchase contract.

Loans

The loans are booked at cost less additional provision for doubtful loans if there is impartial evidence that the Group will not be able to collect all amounts due according to the original terms of the loan contracts.

Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Value adjustments are effected for obsolete stock.

Property, plant and equipment

Property, plant and equipment (tangible fixed assets) are capitalised if they can be used during more than one year. Tangible fixed assets are stated at acquisition or construction cost less accumulated depreciation using the straight-line method over the estimated useful lifetime. The following useful lifetimes are generally applied:

➢ Computer equipment	3 years
➢ Office machines	3 years
➢ Tooling and demo kits	5 years
➢ Vehicles	5 years
➢ Machines	10 years
➢ Land and improvement	15 years
➢ Buildings	20 - 40 years
➢ Leasehold improvements	period of lease

Intangible assets

Patents, licenses and trademarks

Patents, licenses and trademarks are measured initially at cost. Based on reliable cost measurements, intangible assets are recognised on the probability of the future economic benefits as well as proper attribution to the asset. After initial recognition, intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Patents, licenses and trademarks are amortised on a straight line basis over the best estimate of their useful lives but not exceeding 10 years. The amortisation periods are reviewed annually at each financial year end.

Development costs

Indirect development costs for products are expensed. Development expenditure on an individual project is recognized as an intangible asset when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sales, its intention to complete and its ability to use or sell the asset, how the asset will generate economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

Goodwill

The excess of the cost of an acquisition over the Group's interest in the fair value of the net identifiable assets acquired as at the date of the exchange transaction is recorded as goodwill and recognised as an asset in the balance sheet.

When the Group acquires additional interests in a joint venture the excess of the cost of this acquisition compared to the book value of the acquired net assets is recognized as goodwill. After initial recognition goodwill is measured at cost less accumulated amortisation and accumulated impairment losses.

Goodwill is amortised on a straight line basis over the estimated useful life of 5 years. Any negative goodwill (badwill) resulting from the acquisition of a subsidiary or interest in a joint venture is recorded to the income statement in the period of the transaction.

Impairment of assets

The carrying amount of the Group's assets, other than inventories and receivables, are reviewed by Group management at each balance sheet date to determine whether there is any indication of impairment. The review is based on events and signs that point to possible overvaluations in book values. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

Impairment losses are recognised in the income statement. The recoverable amount is the higher of the net selling price and value in use. An impairment loss with respect to goodwill is not reversed. In respect to other assets, an impairment loss is – fully or partially - reversed if there has been a change in the estimates used to determine the recoverable amount.

Trade liabilities

Trade liabilities include short-term and non-interest bearing liabilities resulting from ordinary business activities.

Bank debts

Borrowings are initially recognised at the proceeds received. They are subsequently carried at normal values. Bank debts are classified long term and short term.

Provisions

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

Restructuring provisions are reported in the event of any necessary reorganisation of activity sectors or newly acquired subsidiaries. Restructuring provisions comprise i.e. lease termination and employee termination payments.

Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred income tax is provided using the balance sheet liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for SWISS GAAP FER financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. A deferred tax liability is recognised for all taxable temporary differences, unless the deferred tax liability arises from goodwill for which amortisation is not tax deductible. Non-recoverable withholding taxes are only accrued if a distribution by subsidiary companies is foreseen.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown, net of value-added tax, estimated returns and after elimination of sales within the Group.

Sales Commission

Sales commission is paid by product suppliers as a contribution to marketing and promotion activities.

Interest income

Interest income is recognised as it accrues on an effective yield basis, when it is determined that such income will flow to the Group.

Lease

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

Assets held under finance leases are recognised as assets of the Group at their fair value. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitment and the fair value of the assets acquired, are charged to the profit and loss statement over the term of the relevant lease so as to produce a constant periodic interest charge on the remaining balance of the obligations for each accounting period.

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to the profit and loss statement as incurred.

Management assumptions and significant estimates

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. 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 and in any future periods affected.

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED

(Formerly SCI Forbes Limited)

(a subsidiary company)

Financial Statements

For the Year ended March 31, 2019

Shapoorji Pallonji Forbes Shipping Limited

CIN: U61100MH2006PLC163149

Thirteenth Annual Report

Period ended as on 31st March 2019

Registered Office Address

A-113, Mittal Court, Nariman Point, Mumbai – 400021. India.

Board of Directors

MICHAEL PHILIP PINTO DIN No. 00021565

RANI AJIT JADHAV DIN No. 07070938

UMESH NARAIN KHANNA DIN No. 03634361

MAHESH TAHILYANI DIN No.01423084

S. KUPPUSWAMY DIN No. 00058836

Auditor

Batliboi & Purohit (Chartered Accountants) Firm Reg. No. 101048W

INDEPENDENT AUDITOR'S REPORT
To the Members of **SHAPOORJI PALLONJI FORBES SHIPPING LIMITED**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **SHAPOORJI PALLONJI FORBES SHIPPING LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system 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.

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

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MUMBAI
CHARTERED ACCOUNTANTS

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 30th April, 2019

Annexure - A to the Auditors' Report
(referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) The company does not have ownership of any immovable property.

(ii) The Company is in the business of charter hire services and does not have any inventories. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

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(b) According to information and explanations given to us, the following dues of service tax and income tax have not been deposited by the Company on account of dispute. There are no dues of sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of the Statute	Nature of dues	Amount (Rs in lakhs)	Period to which it relates	Forum where the Dispute is pending
Income Tax Act, 1961	Income tax dues	23,42,052	A.Y. 2010-11	The High Court of Bombay
		65,54,145	A.Y. 2011-12	The High Court of Bombay
		8,75,210	A.Y. 2012-13	Commissioner of Income Tax (Appeals), Mumbai
		2,55,090	A.Y. 2013-14	Commissioner of Income Tax (Appeals), Mumbai
		4,11,56,424	A.Y. 2107-18	Commissioner of Income Tax (Appeals), Mumbai
Finance Act, 1994	Service Tax	62,18,589	2011-12 to 2015-16	Assistant Commissioner Service Tax - Audit

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans to banks. There were no borrowings from financial institution, Government or debenture holders anytime during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 30th April, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of **SHAPOORJI PALLONJI FORBES SHIPPING LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

BATLIBOI & PUROHIT MUMBAI CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

BATLIBOI & PUROHIT
MUMBAI
CHARTERED ACCOUNTANTS

Place : Mumbai
Date : 30th April, 2019

Shapoorji Pallonji Forbes Shipping Limited

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.			As on 31 Mar 2019	*As on 31 Mar 2018*
Assets					
1 Non-current assets					
a) Property, plant and equipment	**4**			3,738,360,779	*3,921,082,472*
b) Other Intangible assets	**5**			-	*21,833*
c) Other Financial Assets:	**6A**			269,508,304	*191,080,576*
d) Other non-current assets	**7A**			75,595,557	*73,117,433*
e) Income Tax Assets (Net)	**8**			5,317,335	*5,317,335*
Total Non-current assets				*4,088,781,975*	*4,190,619,649*
2 Current assets					
a) Financial Assets:					
i) Trade receivables	**9**		63,385,867		*68,779,698*
ii) Cash and cash equivalents	**10A**		67,808,526		*44,138,063*
iii) Bank balances other than (ii) above	**10B**		-		-
iv) Other financial assets	**6B**		51,462,541		*58,609,447*
				182,656,934	*171,527,208*
b) Other current assets	**7B**			7,082,979	*7,520,550*
Total Current assets				*189,739,913*	*179,047,758*
Total Assets				*4,278,521,888*	*4,369,667,407*
Equity and Liabilities					
Equity					
a) Equity share capital	**11**		820,000,000		*820,000,000*
b) Other equity	**12**		625,375,375		*743,713,406*
Total Equity				1,445,375,375	*1,563,713,406*
Liabilities					
1 Non-current liabilities					
a) Financial liabilities:					
i) Borrowings	**13**		2,289,257,210		*2,482,156,169*
b) Provisions	**14A**		823,534		*620,524*
Total Non-current liabilities				2,290,080,744	*2,482,776,693*
2 Current liabilities					
a) Financial liabilities:					
ii) Trade payables	**15**				
Micro enterprises and small enterprises		108,000			-
Other than micro enterprises and small enterpris		86,803,590			*44,568,625*
iii) Other financial liabilities	**16**	455,399,763			*278,420,071*
			542,311,353		*322,988,696*
b) Provisions	**14B**		76,985		*58,646*
c) Current tax liabilities (net)	**17**		12,658		*18,345*
d) Other current liabilities	**18**		664,773		*111,621*
Total Current Liabilities				543,065,769	*323,177,308*
Total Liabilities				2,833,146,513	*2,805,954,001*
Total Equity and Liabilities				4,278,521,888	*4,369,667,407*
See accompanying notes forming part of the financial statements	**1 to 34**				

In terms of our report attached
For Batliboi & Purohit
Chartered Accountants
Firm Registration No.101048W

Janak Mehta
Partner
Membership No.116976
Mumbai, 30th Apr, 2019

Mahesh C. Tahilyani __________
Director DIN:01423084

Umesh Khanna __________
Director DIN:03634361

Dhiraj Pahuja __________
Chief Excecutive Officer

Nirmal Jagawat __________
Chief Financial Officer

Deepti Kulkarni __________
Company Secretary
Mumbai, 30th Apr, 2019

Shapoorji Pallonji Forbes Shipping Limited

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

	Particulars	Note No.		Year Ended 31-Mar-19	*Year Ended 31-Mar-18*
I	Revenue from operations	**19**	1,141,403,837		*810,249,058*
II	Other income	**20**	33,633,837		*12,491,616*
III	**Total Income (I + II)**			1,175,037,674	*822,740,674*
IV	**Expenses:**				
	Employee benefits expense	**21**	406,787,735		*305,135,437*
	Finance costs	**22**	219,854,215		*129,473,575*
	Depreciation and amortisation expense	**23**	336,947,316		*248,698,984*
	Operating and Other expenses	**24**	327,541,439		*293,512,811*
	Total expenses (IV)			1,291,130,705	*976,820,807*
V	**Profit/(Loss) before tax (III - IV)**			*(116,093,031)*	*(154,080,133)*
VI	**Tax expense:**	**25**			
	(a) Current tax		2,245,000		*3,038,000*
	(b) Income tax of prior year		-		*856,000*
				2,245,000	*3,894,000*
VII	**Profit/(Loss) after tax for the year (V - VI)**			*(118,338,031)*	*(157,974,133)*
VIII	**Other Comprehensive Income**				
	(i) Items that will be reclassified to profit or loss			-	-
	Total other comprehensive income			-	-
	Total Comprehensive Income for the year (VII+VIII)			(118,338,031)	(157,974,133)
	Earning per equity share :				
	Basic and diluted earnings per equity share	**26**		₹ (1.44)	*₹ (1.93)*

See accompanying notes forming part of the financial statements **1 to 34**

In terms of our report attached
For Batliboi & Purohit
Chartered Accountants
Firm Registration No.101048W

Janak Mehta
Partner
Membership No.116976
Mumbai, 30th Apr, 2019

Mahesh C. Tahilyani ____________________
Director DIN:01423084

Umesh Khanna ____________________
Director DIN:03634361

Dhiraj Pahuja ____________________
Chief Excecutive Officer

Nirmal Jagawat ____________________
Chief Financial Officer

Deepti Kulkarni ____________________
Company Secretary

Mumbai, 30th Apr, 2019

Shapoorji Pallonji Forbes Shipping Limited

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

	Note No.	Year Ended 31-Mar-19		*Year Ended 31-Mar-18*	
Cash flows from operating activities					
Profit/(Loss) for the year			*(116,093,031)*		*(154,080,133)*
Adjustments for -					
Finance costs recognised in profit or loss		*219,854,215*		*129,473,575*	
Interest income recognised in profit or loss		*(3,980,517)*		*(6,266,614)*	
(Gain) / loss on disposal of property, plant and equipment		639		-	
Depreciation and amortisation of property, plant and equipment		*336,947,316*		*248,698,984*	
Net unrealised exchange loss		*39,765,133*		*13,391,405*	
			592,586,786		*385,297,350*
			-		-
			592,586,786		*385,297,350*
Operating profit before working capital changes			476,493,755		*231,217,217*
Changes in working capital:					
Movements in working capital:					
(Increase) / Decrease in trade receivables		7,194,089		7,164,735	
(Increase) / Decrease in other financial assets		4,985,383		(60,140,303)	
(Increase) / Decrease in other current assets		416,331		(2,449,300)	
(Increase) / Decrease in other non - current assets		(2,478,124)		(56,453,692)	
Increase / (Decrease) in trade payables		42,229,648		28,083,838	
Increase / (Decrease) in other current financial liabilities		407,878		(3,998,502)	
Increase / (Decrease) in provisions		221,349		165,579	
Increase / (Decrease) in current liabilities		547,466		(352,894)	
			53,524,019		*(87,980,539)*
Cash (used in) / generated from operations			530,017,774		*143,236,678*
Income taxes paid (net of refunds)			*(2,245,000)*		*(3,894,000)*
(a) Net cash flow (used in)/generated from operating activities			527,772,774		*139,342,678*
Cash flows from investing activities:					
Movements in deposit placed as security with lender bank		(77,052,583)		(10,180,686)	
Interest received		*3,980,517*		*6,266,614*	
Payments for property, plant and equipment (Includes Drydock expenses)		(41,293,835)		(969,636,647)	
Proceeds from disposal of property, plant and equipment					
Fixed Deposits with bank not consider as part of cash equivalents.		-		-	
- Placed		-			
- Matured		1,301,400		292,239,276	
(b) Net cash flow generated from/ (used in) investing activities			(113,064,501)		*(681,311,443)*
Cash flows from financing activities:					
Repayment of share capital under a scheme of capital reduction		-		-	
Payment of share capital reduction costs		-		-	
Deemed Equity Contribution from Parent Company		-		29,392	
Proceeds from long-term borrowings		(16,718,448)		659,063,160	
Repayment of borrowings		(217,663,080)		(142,531,311)	
Interest paid		(170,242,496)		(84,455,487)	
(c) Net cash flow from /(used in) financing activities			(404,624,024)		*432,105,754*
(d) Net increase in cash and cash equivalents (a + b + c)			10,084,249		*(109,863,011)*
(e) Cash and cash equivalents as at the commencement of the year			44,138,063		*153,465,471*
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies			13,586,214		535,603
(f) Cash and cash equivalents as at the end of the year (d + e) (Refer Note 10A)			*67,808,526*		*44,138,063*

In terms of our report attached
For Batliboi & Purohit
Chartered Accountants
Firm Registration No.101048W

Janak Mehta
Partner
Membership No.116976
Mumbai, 30th Apr, 2019

Mahesh C. Tahilyani ______________________________
Director DIN:01423084

Umesh Khanna ______________________________
Director DIN:03634361

Dhiraj Pahuja ______________________________
Chief Excecutive Officer

Nirmal Jagawat ______________________________
Chief Financial Officer

Deepti Kulkarni ______________________________
Company Secretary
Mumbai, 30th Apr, 2019

Shapoorji Pallonji Forbes Shipping Limited

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

a. Equity share capital	Amount
Balance as at 31st March, 2017	820,000,000
Changes in equity share capital during the year	-
Balance as at 31st March, 2018	**820,000,000**
Changes in equity share capital during the year	-
Balance as at 31st March, 2019	**820,000,000**

b. Other equity	Reserves and surplus				Total Other Equity
	Equity component of Preference Shares	Tonnage Tax Reserve	Retained earnings	Deemed Equity Contribution from Parent Company	
Balance at 31st March, 2017	1,108,066,642	88,450,000	(294,858,495)	-	901,658,147
Movements				29,392	29,392
Profit for the year			(157,974,133)	-	(157,974,133)
Total comprehensive income for the year	**1,108,066,642**	**88,450,000**	**(452,832,628)**	**29,392**	**743,713,406**
Transfer from retained earnings to Tonnage Tax Reserve	-	(88,450,000)	88,450,000	-	-
Balance at 31st March, 2018	1,108,066,642	-	(364,382,628)	29,392	743,713,406
Movements			-	-	-
Profit/(Loss) for the year	-	-	(118,338,031)	-	(118,338,031)
Total comprehensive income for the year	**-**	**-**	**(118,338,031)**	**-**	(118,338,031)
Transfer from retained earnings to Tonnage Tax Reserve	-	-	-	-	-
Transfer from Tonnage Tax Reserve on account of utilisation to Retained earnings	-	-	-	-	-
Movements - Transfer to Retained Earnings	-	-	29,392	(29,392)	-
Balance at 31st March, 2019	**1,108,066,642**	**-**	**(482,691,267)**	**-**	**625,375,375**

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Company Secretary

Mumbai, 30th Apr, 2019

Note:- 1. General information

The Company was incorporated in India on July 18, 2006. It is a subsidiary of Forbes and Company Limited with Shapoorji Pallonji and Company Private Limited being the ultimate holding Company.

The registered office of the company is located at Ground floor, Forbes Building, Charanjit Rai Marg, Mumbai - 400 001, India. and principal place of business is located at 113, Mittal Court, Nariman Point, Mumbai - 400 021, India

The Company carries on the business of shipowners, charterers, etc. The Company's name was changed from SCI Forbes Limited to Shapoorji Pallonji Forbes Shipping Limited with effect from 21 August, 2014. The Company has five chemical tankers currently which are deployed on time charter basis under a pooling arrangement.

Note:-2. Significant accounting policies

1. Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

2. Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using anonther valuation technique.

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 the purpose of classification of its assets and liabilities as current and non current .

3. Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

4. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, including taxes and incidental expenses related to acquisition and borrowing costs during construction period, less accumulated depreciation and impairment losses, if any. 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 & cost can be reliably measured. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or 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.

The Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items reconginsed in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

5. Depreciation

Depreciation is provided on the straight line method over the useful life as prescribed under Schedule II of the Companies Act , 2013. The residual value is considered as Nil in case of asset other than ships as the residual value of such assets is insignificant.The Residual value for the ships are taken on the bases of Lightship Displacement Tonnage of ships and rate per lightship displacement tonnage.

Drydock expenses incurred for vessel at specified intervals are capitalised and are amortised over economic benefit of the such expenses i.e drydock expenses incurred at the time of Intermediate survey are amortised over 2.5 years and drydock expenses incurred at the time of Special survey are amortised over 5 years

The Estimated Useful Life is as under :

Assets	Useful life
Vessels	20 years
Drydock - Intermediate Survey	2.5 years
Drydock - Special Survey	5 years
Computers	3 years
Office Equipment	5 years
Furniture & Fixtures	10 years

Mobile Phones purchased are charged to the statement of profit and loss.

6. Intangible assets

Intangible Assets with finite useful lives that are acquired separately are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any.

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.

Assets	**Useful life**
Software	3 years

7. Borrowing cost

Borrowing costs directly attributable to acquisition, production or construction of qualifying assets (i.e. those fixed assets which necessarily take a substantial period of time to get ready for their intended use) are added to the cost of those assets, until such time as the assets are substantially ready for their intented use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arrising from foreign currency borrwings to the extent they are regarded as an adjustment to interest costs.

8. Assets impairment

The carrying amounts of the Company's tangible & intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment . If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognized in the Statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior accounting periods.

9. 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 profit or 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 points paid or received 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 profit or 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 profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimate cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

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 and other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, 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. 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

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference betwwen the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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 profit or loss except that the Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the 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.

Gains or losses on loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or it is designated as at FVTPL.

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.

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

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 and are recognised in 'Other income' except that the Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

The fair value of financial liabilities 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 financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. 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 profit or loss.

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.

10. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated off hire, rebates and allowances.

Charter hire earnings are recognized as the service is performed and accrued.

The Company generates most of its revenues from shipping activities. Revenue is distributed by the pool for vessels contracted to the pool operator using a rating mechanism set out in the pool agreement.

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

The company has adpoted IND AS 115 " Revenue from contracts with customer" based on assessment done by the management, there is no material impact on the revenue recognition during the period

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 principal outstanding and at the effective interest rate applicable.

11. Inventories

The Company does not carry any inventory on its books. Inventories of fuel, Lubricants, oil, stores and spares delivered on board the ship are charged to statement of profit and loss.

12. Employee Benefits

The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Employees' State Insurance Act, 1948 and the Payment of Gratuity Act, 1972 are not applicable to the Company.

Short-term obligations:

A liability is recognised for benefits accuring to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that services.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave which is expected to be availed and encashed within 12 months from the end of the year is treated as short term employee benefits. The obligation towards the same is measured at the expected cost of leave encashment as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Leave which is expected to be availed or encashed beyond 12 months from the end of the year is treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

13. Foreign Exchange Transactions

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency 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. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated 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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise, except that the Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

14. Taxation

Income tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Provision for current income - tax is made on the basis of assessable income under the Income - tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.

Deferred tax is recoginised on temporary differences between the carrying amounts of assets and liabilites in the Company's 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 necessary 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.

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.

Current and deferred tax are recognised in profit or 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.

15. Provision 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.

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.

16. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transcations of a non-cash nature, any deferrals or accurals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing anf financing activities of the Company are segregated.

17. Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

18. Operating Lease

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognized in the Company's Balance Sheet. Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

19. Earnings per share

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

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all years presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

Disclosures

Recent accounting pronouncements

• Ind AS 116 Leases: Ministry of Corporate Affairs has notified Ind AS 116, Leases on March 30, 2019. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.
The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The adoption of this Ind AS will not have any material impact on the Financials.
On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.
The effect of adoption as on transition date do not have any material impact.

• Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.
The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.
The adoption of Ind AS 12 Appendix C would not have any material impact on the financial statements.

• Amendment to Ind AS 12 – Income taxes : On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

• Amendment to Ind AS 19 – plan amendment, curtailment or settlement- The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', on 30 March, 2019 in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any material impact on account of this amendment.

Note :- 3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of accounting estimates which, by definition will seldom equal the actual results. Management also needs to exercise judgement in applying the Companies accounting policies as well as 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.
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.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see notes 1 to 4 below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

1. 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.

2. Useful life and residual value of Property, Plant and Equipments

As described in Note 3.4 and 3.5, the Company reviews the estimated useful life and residual values of property, plant and equipment at each reporting date.

3. 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.

4. 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.

4. Property, plant and equipment

Current Year	Computers - Data processing equipments	Office equipments	Furniture and fixtures	Ships (refer note 1.)	Total
Cost or Deemed cost					
Balance as at 31st March, 2018	**560,634**	**152,533**	**439,799**	**4,655,413,757**	**4,656,566,723**
Additions	40,678			41,253,157	**41,293,835**
Disposals		(13,268)	-	-	**(13,268)**
Effect of foreign currency exchange differences (refer note 2)	-	-	-	112,910,594	**112,910,594**
Balance as at 31st March, 2019	**601,312**	**139,265**	**439,799**	**4,809,577,508**	**4,810,757,884**
Accumulated depreciation and impairment					
Balance as at 31st March, 2018	**332,416**	**59,636**	**71,875**	**735,020,324**	**735,484,251**
Eliminated on disposals of assets		(12,629)			**(12,629)**
Depreciation expense	158,940	27,290	48,056	336,691,197	**336,925,483**
Balance as at 31st March, 2019	**491,356**	**74,297**	**119,931**	**1,071,711,521**	**1,072,397,105**
Carrying Amount					
Balance as at 31st March, 2018	**228,218**	**92,897**	**367,924**	**3,920,393,433**	**3,921,082,472**
Balance as at 31st March, 2019	**109,956**	**64,968**	**319,868**	**3,737,865,987**	**3,738,360,779**

Previous Year	Computers - Data processing equipments	Office equipments	Furniture and fixtures	Ships (refer note 1.)	Total
Cost or Deemed cost					
Balance as at 31st March, 2017	**515,554**	**140,410**	**432,989**	**3,683,751,567**	**3,684,840,520**
Additions	45,080	12,123	6,810	969,572,634	**969,636,647**
Disposals					**-**
Effect of foreign currency exchange differences (refer note 2)				2,089,556	**2,089,556**
Balance as at 31st March, 2018	**560,634**	**152,533**	**439,799**	**4,655,413,757**	**4,656,566,723**
Accumulated depreciation and impairment					
Balance as at 31st March, 2017	**175,861.00**	**33,412.00**	**24,160.00**	**486,591,324**	**486,824,757**
Depreciation expense	156,555.00	26,224.00	47,715.00	248,429,000	**248,659,494**
Balance as at 31st March, 2018	**332,416.00**	**59,636.00**	**71,875.00**	**735,020,324**	**735,484,251**
Carrying Amount					
Balance as at 31st March, 2017	**339,693.00**	**106,998.00**	**408,829.00**	**3,197,160,243**	**3,198,015,763**
Balance as at 31st March, 2018	**228,218.00**	**92,897.00**	**367,924.00**	**3,920,393,433**	**3,921,082,472**

Footnotes:

1. Ships are mortgaged to a financial institution for banking loan facility (refer note 13.1.b).

2. Exchange differences on borrowing for acquisition of capital assets

   The Company has availed of the exemption under para D13AA of Ind AS 101 to continue accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as an adjustment to the carrying cost of the depreciable asset.

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Notes to the financial statements for the year ended March 31, 2019

5. Other intangible assets

Current Year	Software / Licences acquired
Cost or Deemed cost	
Balance as at 31st March, 2018	**173,149**
Additions	-
Disposals	-
Balance as at 31st March, 2019	**173,149**
Accumulated depreciation and impairment	
Balance as at 31st March, 2018	**151,316**
Depreciation expense	21,833
Balance as at 31st March, 2019	**173,149**
Carrying Amount	
Balance as at 31st March, 2018	**21,833**
Balance as at 31st March, 2019	**-**

Previous Year	Software / Licences acquired
Cost or Deemed cost	
Balance as at 31st March, 2017	**173,149**
Additions	-
Disposals	-
Balance as at 31st March, 2018	**173,149**
Accumulated depreciation and impairment	
Balance as at 31st March, 2017	**111,826**
Depreciation expense	39,490
Balance as at 31st March, 2018	**151,316**
Carrying Amount	
Balance as at 31st March, 2017	**61,323**
Balance as at 31st March, 2018	**21,833**

6. Other financial assets

6A. Non current

	Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
a)	**Security deposits**		
	- Unsecured, considered good	*73,498,541*	*66,723,199*
	sub total (a)	*73,498,541*	*66,723,199*
b)	Balance held as margin money deposit with banks with remaining maturity period of more than 12 months		
	- Unsecured, considered good	*196,009,763*	*124,357,377*
	sub total (b)	196,009,763	*124,357,377*
	Total (a+b)	269,508,304	*191,080,576*

(a) Security deposit represents 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 the Company, on its four vessels at the time of their entry in the Marida Tankers Inc pool and on its one vessels at time of entry in the Stainless Tankers Inc towards working capital funds for vessels operation.

(b) Long term deposits with bank represents amount deposited with Axis Bank (Dubai) under the Debt Service Reserve to be maintained as part of the loan agreement with the Bank. The said deposits is marked under lien with the Bank.

6B. Current

	Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
a)	**Accruals:**		
	i) Interest accrued on deposits with bank	-	*649,075*
	ii) Contractually reimbursable expenses from related parties	-	*17,654,106*
	iii) Other Current Assets (refer below note 'a')	*51,462,541*	*40,306,266*
	Total	*51,462,541*	*58,609,447*

(a) Other current assets includes the insurance claim receivable from the insurance company towards vessel break down repair cost.

7. Other assets

7A. Non Current

	Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
a)	Balances with statutory / government authorities		
	- Unsecured, considered good		
	Service tax refund	*3,439,700*	*17,944,079*
	GST refund	*72,151,585*	*55,163,148*
b)	Prepaid expenses	*4,272*	*10,206*
	Total	*75,595,557*	*73,117,433*

7B. Current

	Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
a)	Advances to related parties	-	-
b)	Advances for supply of goods and services		
	- Unsecured, considered good	*15,207*	*14,449*
c)	Prepaid expenses	*7,067,772*	*7,506,101*
	Total	*7,082,979*	*7,520,550*

8. Income Tax Assets (net)

b)	Advance Income tax	*5,317,335*	*5,317,335*
	Total	*5,317,335*	*5,317,335*

9. Trade receivables

Particulars		As on 31 Mar 2019	*As on 31 Mar 2018*
Trade receivables			
a)	Unsecured, considered good	*63,385,867*	*68,779,698*
Total		*63,385,867*	*68,779,698*

9. 1 Trade receivables

The average credit period for receipt of charter hire income is approximately one month. No Interest is charged on outstanding balances.

The Company has taken into account historical credit loss experience and in past no credit loss is suffered by the Company. The Company does not expect any credit loss in future as well, as the vessels are under Pool agreement.

<u>Age of Receivables</u>

Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
Within the credit period	*63,385,867*	*68,779,698*
Total	63,385,867	*68,779,698*
Average age (days)	*31*	*31*

10. 10A. Cash and cash equivalents

	Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
	Balances with Banks		
a)	In current accounts	*67,790,443*	*44,125,579*
b)	In EEFC Accounts	*347*	*325*
b)	In deposit accounts (with original maturity upto 3 months)	-	-
		67,790,790	*44,125,904*
	Cash on hand	*17,736*	*12,159*
	Total	67,808,526	*44,138,063*
	Cash and cash equivalents as per statement of cash flows	*67,808,526*	*44,138,063*

10B. Other Bank balances

a)	In deposit accounts with original maturity of more than 3 months but less than 12 months	-	-
	Total	-	-

11. Equity share capital

Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
Authorised Share capital :		
160,000,000 Equity shares of ` 10 each	*1,600,000,000*	*1,600,000,000*
175,000,000 0% Preference shares of ` 10 each	*1,750,000,000*	*1,750,000,000*
	3,350,000,000	3,350,000,000
Issued, subscribed and paid-up share capital:		
82,000,000 fully paid equity shares of ` 10 each		
(as at 31st March, 2018: 82,000,000)	820,000,000	*820,000,000*
	820,000,000	*820,000,000*

11. 1 Fully paid equity shares

Particulars	Number of shares	**Share Capital in `**
Balance as at 31st March, 2017	82,000,000	**820,000,000**
Movements	-	-
Balance as at 31st March, 2018	82,000,000	**820,000,000**
Movements	-	-
Balance as at 31st March, 2019	82,000,000	**820,000,000**

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. 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.

11. 2 Details of shares held by the holding company, its subsidiaries and associates

	Fully paid ordinary sha	
Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
Balance at the beginning of the period :		
Forbes and Company Limited, the holding company	20,500,000	20,500,000
Total	20,500,000	*20,500,000*

Forbes and Company Limited is the holding company by virtue of it having the power to control the composition of the Board of Directors of the Company pursuant to the joint venture agreement between Sterling Investment Corporation Private Limited, Forbes and Company Limited and G.S.Enterprises dated 1st December, 2014

11. 3 Details of shares held by each shareholder holding more than 5% shares

	As on31 Mar 2019	
Particulars	Number of shares held	**% holding in the class of shares**
Fully paid equity shares		
G.S. Enterprises, a partnership firm represented by its partners Shapoorji Pallonji & Company Private Limited, the ultimate holding Company and Goswami Infratech Private Limited holding the shares jointly in the Company.	41,000,000	**50%**
Sterling Investment Corporation Private Limited	20,500,000	**25%**
Forbes and Company Limited, the holding company	20,500,000	**25%**
Total	82,000,000	**100%**

11. 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.

12. Other equity

	Particulars	As on 31 Mar 2019	*As on 31 Mar 2018*
a)	**Tonnage Tax Reserve (Refer Note 1 below)**		
	Balance at beginning of the year	-	*88,450,000*
	Movements	-	(88,450,000)
	Balance at end of the year	-	-
b)	**Equity Component of Preference shares**		
	Balance at beginning of the year	*1,108,066,642*	*1,108,066,642*
	Movements	-	-
	Balance at end of the year	1,108,066,642	*1,108,066,642*
c)	**Deemed Equity Contribution from Parent Company**		
	Balance at beginning of the year	29,392	-
	Movements - Transfer to Retained Earnings	(29,392)	*29,392*
	Balance at end of the year	-	29,392
d)	**Retained earnings**		
	Balance at beginning of year	*(364,382,628)*	*(294,858,495)*
	Profit/(Loss) for the year	*(118,338,031)*	*(157,974,133)*
	Transfer to Retained Earnings	*29,392*	
	Transfer from Tonnage Tax Reserve on account of utilisation to Retained earnings	-	*88,450,000*
	Balance at end of the year	(482,691,267)	*(364,382,628)*
		-	
	Total	*625,375,375*	*743,713,406*

Note 1: Tonnage Tax Reserve:
The Company has opted for computation of its income from shipping activities under the tonnage tax scheme for taxation purpose. As per the scheme, the Company is required to transfer not less than 20% of its book profit derived from the activities referred to in clauses (i) and (ii) of sub-section (1) of section 115V-I in each previous year to the Tonnage Tax Reserve Account to be utilised in the manner laid down in sub-section (3) of section 115VT of the Income Tax Act, 1961.
As required under section 115 VT and sub-section (3) of Income Tax Act, 1961, the amount credited to Tonnage Tax Reserve Account under sub-section (1) shall be utilised by the company before the expiry of a period of eight years following the previous year in which the amount was credited. Company had utilised the amount kept under Tonnage Tax Reserve Account by way of acquisition of Ship and thus the reserve amounting to Rs.88,450,000 from Tonnage Tax Reserve to Retained Earnings is transferred.

Note 2: Equity component of preference shares
The reserve represents the Equity component of 0% redeemable preference share issued by the Company, 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.

Note 3: Retained earnings represents transfers on account of profits earned / losses incurred till date.
The amount that can be distributed by the Company as dividends to its equity shareholders is determined based on the financial statements of the company and also considering the requirements of the Companies Act, 2013. No dividend has been distributed for the year ended 31st March, 2018 and the directors do not propose any distribution of dividend for the year ended 31st March, 2019 in view of the accumulated losses.

13. Non-current Borrowings

		Non-current portion	
	Particulars	*As on 31 Mar 2019*	*As on 31 Mar 2018*
Secured – at amortised cost			
(a)	**Term loans**		
	From banks	*1,926,410,751*	*2,158,186,116*
(b)	Liability component of compound financial instruments	*362,846,459*	*323,970,053*
	Total Non-current borrowings	2,289,257,210	*2,482,156,169*

13. 1 Summary of borrowing arrangements

(a) The foreign currency term loan from Axis Bank, DIFC Branch, Dubai was obtained in July 2014 at Libor plus a Margin of 4.15%, which was revised to 3.50% with effect from 2nd January, 2016and further revised to 3.00% with effect from 1st April, 2017. The company has prepaid an amount of USD 3 million on 29th March 2016. The loan is repayable in 12 consecutive unequal semi-annual installments starting at the end of 6 months from the intial uitlisation date i.e. July 2, 2014. The repayment of installment follow an increasing pattern culminating in a bullet repayment installment of USD 18,728,138 on July 2, 2020.
Company has obtained another ECB loan from Axis Bank, DIFC Branch, Dubai in Jan 2018 at Libor plus a Margin of 2.76%. The loan is repayable in 12 equal semi- annual installments starting at the end of 1 year from the initial uitlisation date i.e Jan 10, 2018. The repayment of installment follow an constant pattern culminating in a bullet repayment installment of USD 4,316,000 on Jan 10, 2025.

(b) The above term loan is secured by first charge on the vessels refinanced under the loan and a first charge over Designated Earnings Account, receivables, earnings, claims against third parties, revenues of the Vessels of whatsoever nature. The second ECB term loan is secured by first charge on the stainless steel vessel acquired in Jan, 2018 and pari passu charge on one marinline coated vessel, further first charge over designated earnings account, receivables, earnings, claims against thirs parties, revenues of the stainless steel vessel.

The Company is required to maintain as on the last date of each financial reporting period, a Fixed Asset Coverage Ratio of atleast 1.25:1

The Company 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.

(c) The Company 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.

(d) The Company 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 Installment to be paid and the next immediate scheduled interest due and payable which has been complied with.

(e) Redeemable Preference shares
The following 0% Redeemable Preference Shares were issued to the promoters on right basis in 2009 and 2010. Since no terms for redemption have been specified for these shares, they will be redeemed at par not later than 20 years from the date of issue as per the provisions of section 55 of the Companies Act, 2013 (erstwhile section 80 of the Companies Act, 1956)

Date of Allotment	Number of Shares allotted	Date of redemption (Not later than)	Redemption terms
12-Aug-09	24,800,000	12-Aug-29	Redeemable at par
06-Nov-09	32,000,000	06-Nov-29	Redeemable at par
22-Mar-10	42,200,000	22-Mar-30	Redeemable at par
02-Jul-10	24,600,000	02-Jul-30	Redeemable at par
	123,600,000		

The said shares shall in the event of winding up, be entitled to rank as regards repayment of capital, in priority to equity shares but shall not be entitled to any further participation in profits or assets. The voting rights of the shareholders shall be in accordance with the provisions of section 47 of the Companies Act, 2013 (erstwhile section 87 of the Companies Act, 1956).

As the redeemable preference shares were issued at zero coupon, the same have been recognised at fair value being the present value of all future cash flows discounted using the prevailing rate of interest for a similar instrument, namely 12%, with a similar credit rating. The difference between the fair value of the said financial instrument as on the issue date and its fair value adjusted for amortisation of interest cost upto the date of transition have been recognised in Other Equity as on the date of transition.

Proceeds of issue	1,236,000,000
Liability component at the date of issue	127,933,358
Equity Component of preference shares recognised in Other Equity	**1,108,066,642**
Liability component (included in "Non-current borrowings" (note 13))	
Liability component at the date of issue	127,933,358
Interest charged calculated at an effective interest rate of 12% upto 1/4/15	102,590,537
Interest charged calculated at an effective interest rate of 12% for 31/3/16	27,743,044
Interest charged calculated at an effective interest rate of 12% for 31/3/17	30,992,033
Interest charged calculated at an effective interest rate of 12% for 31/3/18	34,711,081
Interest charged calculated at an effective interest rate of 12% for 31/3/19	38,876,406
	362,846,459

14. Provisions

14A. Non current

		As on 31 Mar 2019	As on 31 Mar 2018
a)	**Employee benefits**		
	Compensated absences	*823,534*	*620,524*
	Total	*823,534*	*620,524*

14B. Current

	Particulars	As on 31 Mar 2019	As on 31 Mar 2018
a)	**Employee benefits**		
	Compensated absences	*76,985*	*58,646*
	Total	76,985	*58,646*

Disclosure under Ind AS 19 for employee benefits, compensated absences are valued on basis of projected unit credit method.

Assumption for the valuation are as under:-		
Discount Rate	7.79% p.a	7.86% p.a
Salary Escalation Rate	6% p.a	6% p.a
Mortality Rate	IALM (2006-08)	IALM (2006-08)

15. Trade payables
Current

Particulars	As on 31 Mar 2019	As on 31 Mar 2018
Trade payables - Micro and Small Enterprises *	*108,000*	-
Trade payables - Others	*86,762,777*	*43,360,876*
Trade payables - To Related parties	*40,813*	*1,207,749*
Total	86,911,590	44,568,625

The average credit period on purchases of materials and receipt of services is approximately 60 days. No interest is charged on outstanding balances.
* The amount outstanding pertains to principal amount due. No interest is due / accrued / paid / payable during the year

16. Other financial liabilities

16A. Current

		As on 31 Mar 2019	As on 31 Mar 2018
a)	Current maturities of long term borrowings	*418,863,256*	*247,235,643*
b)	Interest accrued but not due on borrowings	*32,867,490*	*27,923,287*
c)	Others :-		
	- Accured Service Liabilities	*814,756*	*929,090*
	- Employee benefits payable	*2,854,261*	*2,332,050*
	Total	*455,399,763*	*278,420,070*

17. Current tax assets and liabilities

Particulars	As on 31 Mar 2019	As on 31 Mar 2018
Income tax payable	*12,658*	*18,345*
	12,658	*18,345*

18. Other liabilities

18A. Current

	Particulars	As on 31 Mar 2019	As on 31 Mar 2018
a)	Statutory dues payable	*664,773*	*111,621*
	Total	664,773	*111,621*

Shapoorji Pallonji Forbes Shipping Limited

Notes to the financial statements for the year ended March 31, 2019

19. Revenue from operations

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

Particulars	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
Sale of services		
i) Charter hire income	*1,141,403,837*	*810,249,058*
Total	*1,141,403,837*	*810,249,058*

20. Other Income

Particulars	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
a) Interest Income		
i) Bank deposits	*3,980,517*	*6,266,614*
Total (a)	*3,980,517*	*6,266,614*
b) Other Non-Operating Income		
i) Miscellaneous income (refer note 'a' below)	29,297,604	27,641,809
ii) Gain / (loss) on disposal of property, plant and equipment	(639)	
Total (b)	29,296,965	*27,641,809*

a. Miscellaneous income includes The Company's claim towards insurance for repair work on account of break down for one vessel. The claim is covered under the "Hull and Machinery Insurance Policy". The claim has been recorded under miscellaneous Income.

Particulars	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
c) Other gains and losses		
i) Net foreign exchange gains / (losses)	*356,355*	*(21,416,807)*
Total (c)	356,355	*(21,416,807)*
Total (a+b+c)	*33,633,837*	*12,491,616*

21. Employee benefits expense

Particulars	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
i) Staff Salaries, Allowances and Bonus	*24,337,412*	*22,104,963*
ii) Crew Wages and allowances	*349,303,174*	*260,654,928*
iii) Crew provident fund and other funds - contridution	*11,122,048*	*5,052,329*
iv) Crew Victualling Expenses	*21,876,628*	*17,150,765*
v) Staff Welfare Expenses	*148,473*	*172,452*
Total	406,787,735	*305,135,437*

22. Finance costs

	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
(a) **Interest costs :-**		
i) Interest on bank loans	*143,576,892*	*94,395,848*
ii) Interest on Redeemable Pref. shares reclassified as borrowings	*38,876,406*	*34,711,081*
iii) Other interest expense	-	*35,337*
Total interest expenses	182,453,298	*129,142,266*
(b) Exchange differences to the extent considered as on adjustment to borrowing costs	36,933,663	*159,196*
(c) Bank and Finance charges	*467,254*	*172,113*
Total	*219,854,215*	*129,473,575*

23. Depreciation and amortisation expense

	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
i) Depreciation on property, plant and equipment (Refer Note 4)	*336,925,483*	*248,659,494*
iii) Amortisation of intangible assets (Refer Note 5)	*21,833*	*39,490*
Total	336,947,316	*248,698,984*

24. Operating and Other expenses

Particulars	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
Consumption of stores and spare parts	-	-
Fuel, Oil and Lubricants	*26,633,615*	*26,186,191*
Repairs and maintenance expenses	*35,771,367*	*25,408,682*
Stores and spares	*119,404,383*	*82,252,304*
Crew Repatriation expenses, etc.	*18,203,791*	*18,377,135*
Vessel Operating expenses	*25,618,277*	*50,377,439*
Insurance & Proctection Club Fees	*20,215,630*	*17,136,606*
Management Fees	*43,101,873*	*33,630,171*
Communication charges	*7,716,405*	*6,389,028*
Survey Expenses	*4,203,117*	*5,737,574*
Testing Expenses	*2,190,464*	*1,176,332*
Certification Expeses	*4,970,254*	*4,455,786*
Boat and Launch Hire Charges	*3,071,038*	*2,917,901*
Rent	*2,979,381*	*1,786,717*
Legal & Professional expenses	*6,797,197*	*6,287,808*
Support services expenses	*1,350,247*	*5,038,460*
Auditor Remuneration	*514,341*	*400,000*
Director Sitting Fees	*1,600,000*	*1,950,000*
Travelling and conveyance	*1,548,850*	*1,848,613*
Miscellaneous expenses	*1,651,209*	*2,156,064*
Total	*327,541,439*	*293,512,811*

25. Income taxes

1. Income tax recognised in profit or loss

Reconciliation of tax expense and the accounting profit multiplied by the domestic tax rate for the	Year ended 31 Mar 2019	*Year ended 31 Mar 2018*
Particulars		
Accounting profit / (loss) before tax	-116,093,031	-154,080,133
Tonnage Income as per sec 115V	4,566,150	3,540,294
Tax at Domestic rate (FY 2018-19: 26%; FY 2017-18: 30.9%) (A)	1,187,199	1,093,951
Other Income taxable	4,068,467	6,291,422
Tax at Domestic rate (FY 2018-19: 26%; FY 2017-18: 30.9%) (B)	1,057,801	1,944,049
Total Tax Provision for Current Year (A+B)	2,245,000	3,038,000
Tax provision for earlier years	-	856,000
Total Income Tax Expense	**2,245,000**	**3,894,000**

26. Earnings per share

Particulars	Year Ended 31-Mar-19	*Year Ended 31-Mar-18*
	` per share	*` per share*
Basic earnings per share	(1.44)	*(1.93)*
Diluted earnings per share	(1.44)	*(1.93)*

26.1 Basic Earnings per share

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

Particulars	Year Ended 31-Mar-19	*Year Ended 31-Mar-18*
Profit/(loss) for the year from operations (A)	(118,338,031)	*(157,974,133)*
Profit/(loss) for the year attributable to owners of the Company (B)	(118,338,031)	*(157,974,133)*
Weighted average number of equity shares for the purposes of basic earnings per share (C)	82,000,000	82,000,000
Basic Earnings per equity share for continuing operation (B/C)	(1.44)	*(1.93)*
Basic Earnings per share (B/C)	(1.44)	*(1.93)*

26.2 Diluted earnings per share

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

Particulars	Year Ended 31-Mar-19	*Year Ended 31-Mar-18*
Earnings used in the calculation of basic earnings per share	(118,338,031)	*(157,974,133)*
Adjustments	-	-
Earnings used in the calculation of diluted earnings per share (A)	*(118,338,031)*	*(157,974,133)*
Weighted average number of equity shares used in the calculation of basic earnings per share	82,000,000	82,000,000
Adjustments	-	-
Weighted average number of equity shares used in the calculation of diluted earnings per share (B)	82,000,000	*82,000,000*
Diluted earnings per share (A/B)	(1.44)	*(1.93)*

27. Operating lease arrangements

27. 1 The Company as lessee

27. 1.1 Leasing arrangements

Operating leases relate to leases of office and residential premises with lease terms for 36/60 month between Volkart Fleming Shipping And Services Limited and Forbes And Company Limited. All operating lease contracts over 36 months contain clauses for escalation of 15% yearly market rental reviews. The Company does not have an option to purchase the leased assets at the expiry of the lease periods.

27. 1.2 Payments recognised as an expense

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Minimum lease payments	2,979,381	1,786,717
Total	2,979,381	1,786,717

27. 1.3 Future minimum lease rentals payable as per the lease agreements

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Not later than 1 year	3,026,496	1,859,520
Later than 1 year and not later than 5 years	4,534,080	5,360,576
Later than 5 years		
Total	7,560,576	7,220,096

28. Contingent liabilities

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a) Claims against the Company not acknowledged as debt		
Income Tax Demands under dispute	51,182,921	10,026,447
Service Tax demand & Interest thereon	6,218,589	6,218,589
Service Tax Refund under dispute	3,439,700	13,495,863
Capital Commitment	-	-
	60,841,210	29,740,899

29 .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 13 & 16 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity as detailed in notes 11 to 12).

The company is not subject to any externally imposed capital requirements.

The company's management generally reviews the capital structure on an annual basis. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. The company has a gearing ratio of 171% at the end of the reporting period.

29 1.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Debt (i)		
Non Current Borrowing	2,289,257,210	2,499,152,186
Current maturities of long-term debt	418,863,256	247,235,643
Interest accrued but not due on borrowings	32,867,490	27,923,287
Cash and bank balances (Including Long term deposits with bank)	263,818,289	124,357,377
Net debt	2,477,169,667	2,649,953,739
Equity (ii)	1,445,375,375	1,563,713,406
Net debt to equity ratio (i)/(ii)	171%	169%

Debt is defined as long- and short-term borrowings, as described in notes 13 and 16.

Equity includes all capital and reserves of the Company that are managed as capital.

29 .2 Categories of financial instruments

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets		
Cash and bank balances	67,808,526	44,138,063
Financial Assets measured at amortised cost		
Trade receivables	63,385,867	68,779,698
Long Term bank deposits and Security Deposit	269,508,304	191,080,576
Other financial assets Current	51,462,541	58,609,447
Financial liabilities measured at amortised cost		
Borrowings - Non current	2,289,257,210	2,499,152,186
Other financial liabilities Current	455,399,763	278,420,070
Trade payables	86,911,590	44,568,625

29 .3 Financial risk management objectives

The company's Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the company through internal risk reports which analyse exposures of risks. These risks include market risk (including currency risk, interest rate risk and liquidity risk.

29 .4 Market risk

Shipping market risks may be related to vessel values, future vessel employment, freight rates and costs. These risks are mininised as the vessels are operated under Pool and managed through internal risk management of the company. Hence, there has been no change to the company's exposure to market risks or the manner in which these risks are managed and measured.

29 .5 Foreign currency risk management

The company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are naturally hedged as Company has earnings and receivables in foreign currency to meet expenses and payables in foreign currency.

The carrying amounts of the company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are

Particulars	Assets as at			
	As at March 31, 2019		As at March 31, 2018	
Currency	US $	INR	US $	INR
	69.446		64.9480	
Receivables	912,736	63,385,864	1,058,996	68,779,698
Advances given	-			-
Bank Balances and Fixed Deposits	3,367,808	233,880,767	2,557,578	166,109,560
Interest on DSRA Fixed Deposits	-	-	9,994	649,075
Interest on Other Fixed Deposits	-	-	-	-
Security Deposit furnished	1,057,977	73,472,302	1,027,316	66,722,149
Total	5,338,521	370,738,933	4,653,884	302,260,481

Particulars	Liabilities as at			
	As at March 31, 2019		As at March 31, 2018	
Currency	US $	INR	US $	INR
Foreign currency borrowings	33,931,133	2,356,381,462	37,297,804	2,422,417,777
Interest Accrued on Borrowings	473,281	32,867,490	429,933	27,923,287
Payables	335,039	23,267,091	159,522	10,360,615
Total	34,739,453	2,412,516,043	37,887,259	2,460,701,679

Of the above, the Company is mainly exposed to USD. 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.

March 31, 2019

Currencies	Increase/Decrease	Total Assets in Foreign Currency	Total Liabilities in Foreign Currency	Change in exchange rate	Impact on Profit or (Loss) for the year in INR
USD	Increase by 5%	5,338,521	34,739,453	3.47	(102,088,856)
USD	Decrease by 5%	5,338,521	34,739,453	-3.47	102,088,856

March 31, 2018

Currencies	Increase/Decrease	Total Assets in Foreign Currency	Total Liabilities in Foreign Currency	Change in exchange rate	Impact on Profit or (Loss) for the year in INR
USD	Increase by 5%	4,653,884	37,887,259	3.25	(107,922,060)
USD	Decrease by 5%	4,653,884	37,887,259	-3.25	107,922,060

29 .6 Interest rate risk management

Interest risk is related to interest-bearing investments and borrowings.

The Company is exposed to interest rate risk which is limited to the extent of changes in LIBOR. The risk is mitigated due to natural hedge as receivables and payables are in same currency

Investments in deposit with banks are Interest rate risk free investment, as deposit are bearing fix interest rate.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

If LIBOR rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2019 would decrease/increase by Rs 1.25 crore. This is mainly attributable to the Company’s exposure to borrowings based on LIBOR.

If LIBOR rates had been 50 basis points higher/lower and all other variables were held constant, the Company's loss for the year ended March 31, 2018 would decrease/increase by Rs.0.98 crore. This is mainly attributable to the Company’s exposure to borrowings based on LIBOR.

29 .7 Liquidity risk management

Liquidity risk is impacted by market and credit risk. Company keeps its liquid reserves mainly in bank deposits in form of time deposit.

The time horizon of these deposits depends on the underlying forecasted need for liquidity in the Company. The liquidity risk is considered to be limited, as liquid assets are balances in bank current accounts and time deposits. Deposits are executed with reputed banks.

Ultimate responsibility for liquidity risk management rests with the Management of Company under board of directors, which monitors reqirements of the company's short, medium, and long-term funding requirements. The company manages liquidity risk by maintaining adequate reserves, and banking facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Maturities of Financial Liabilities		**March 31, 2019**		
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings - Loans	418,863,256	1,450,458,715	149,864,468	337,195,053
Borrowings - Preference share				362,846,459
Trade Payables	86,911,590			
Other Financial Liabilities	36,536,507			
	542,311,354	**1,450,458,715**	**149,864,468**	**700,041,512**

Maturities of Financial Liabilities		**March 31, 2018**		
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings - Loans	247,235,643	1,678,167,536	140,157,784	356,856,786
Borrowings - Preference share				323,970,053
Trade Payables	44,568,625			
Other Financial Liabilities	31,184,427			
	322,988,695	**1,678,167,536**	**140,157,784**	**680,826,839**

Maturities of Financial Assets		**March 31, 2019**		
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Short Term Depsoit	-			
Long Term Deposit		196,009,763		
Trade Receivables	63,385,867			
Other Financial Assets	275,448,145			
	338,834,012	**196,009,763**	**-**	**-**

Maturities of Financial Assets		**March 31, 2018**		
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Short Term Depsoit	-			
Long Term Deposit		124,357,377		
Trade Receivables	68,779,698			
Other Financial Assets	250,108,691			
	318,888,389	**124,357,377**	**-**	**-**

29 .8 Fair value measurements

The Company considers that the carrying amounts of all the financial instruments recognized in the financial statements approximate their fair values. Hence, no fair value disclosures are required.

Shapoorji Pallonji Forbes Shipping Limited

Notes to the financial statements for the year ended March 31, 2019

29 .9 Net debt reconciliation

	31st Mar., 2019	31st Mar., 2018
Short Term Borrowings		-
Long Term Borrowings	(1,937,518,236)	(2,175,182,134)
Current Maturities of Long Term Borrowings	(418,863,256)	(247,235,643)
Interest accured but not due	(32,867,490)	(27,923,287)
Loan arrangement expenses	11,107,485	16,996,017
Total debt	(2,378,141,497)	(2,433,345,047)
Cash & Cash equivalents	67,808,526	44,138,063
Net debt	(2,310,332,971)	(2,389,206,984)

	Other assets	Liabilities from financing activities		
	Cash and cash equivalents	**Long term borrowing including current maturity**	**Short term borrowing**	**Total**
Net debt as at 1st April, 2018	44,138,063	(2,433,345,047)	-	(2,389,206,984)
Cash flows	23,670,463	234,928,569	-	258,599,032
Interest expense		(137,785,782)	-	(137,785,782)
Interest paid		132,841,579	-	132,841,579
Loan arrangement expenses capitalised		(97,422)		(97,422)
Loan arrangement expenses Amortised		(5,791,110)		(5,791,110)
Exchange difference capitalised		(168,892,285)		(168,892,285)
Net debt as at 31st March, 2019	67,808,526	(2,378,141,497)	-	(2,310,332,971)

30 Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Ultimate Controlling Company	Shapoorji Pallonji and Company Private Limited
Holding Company	Forbes and Company Limited
Venturers in respect of which the Company is a joint venture	G.S. Enterprises Sterling Investment Corporation Private Limited.
Enterprises under common control of Venturers	Volkart Fleming Shipping & Services (Subsidary of Forbes and Company Limited)
	Forvol International Services Limited.(Subsidary of Sterling Investment Corporation Private Limited)
	Forbes Facility Services PVt.Ltd.(Subsidary of Eureka Forbes Limited)
Key Management Personnel ("KMP")	Mr.Nirmal Jagawat - Chief Financial Officer Mr.Dhiraj Pahuja - Chief Executive Officer Ms. Deepti Kulkarni - Company Secretary

Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity
Ultimate Controlling Company	Shapoorji Pallonji and Company Private Limited
Holding Company	Forbes and Company Limited
Venturers in respect of which the Company is a joint venture	G.S. Enterprises Sterling Investment Corporation Private Limited.
Enterprises under common control of Venturers	Volkart Fleming Shipping & Services (Subsidary of Forbes and Company Limited)
	Forvol International Services Limited.(Subsidary of Sterling Investment Corporation Private Limited)
	Forbes Facility Services PVt.Ltd.(Subsidary of Eureka Forbes Limited)
	Eureka Forbes Limited (Subsidary of Forbes and Company Limited)
	Campbell Properties and Hospitality Services Limited (Subsidary of Forbes and Company Limited)
Key Management Personnel ("KMP")	Mr.Nirmal Jagawat - Chief Financial Officer Mr.Dhiraj Pahuja - Chief Executive Officer Ms. Deepti Kulkarni - Company Secretary (w.e.f 15.09.2017) Ms. Vijayalakshmi Kumar - Company Secretary (upto 14.08.2017)

Note: Transactions with related parties are conducted at arm's length on market terms.

30 **Related Party Disclosures (contd.)**

Current Year

(b) transactions/ balances with above mentioned related parties (mentioned in note 30(a) above)

Particulars	Ultimate Controlling Company	Holding Company	Joint Venturer	Enterprises Under Common Control	Key Management personnel and relatives	Total
Balances outstanding as on March 31, 2019						
						-
Payables						
Shapoorji Pallonji and Company Private Limited						-
Forbes and Company Limited						-
Forbes Facility Services Private Limited				40,813		40,813
Forvol International Services Limited						-
Mr.Dhiraj Pahuja					1,884,642	1,884,642
						-
						-
Receivables						-

Transactions						-
						-
Reimbursement of expenditure and purchase of capital assets incurred on behalf of the Company						-
Mr.Dhiraj Pahuja					1,154,442	1,154,442
						-
Receiving of services						-
Shapoorji Pallonji and Company Private Limited	810,248					810,248
Forvol International Services Limited				60,748		60,748
Forbes Facility Services Private Limited				411,806		411,806
Forbes and Company Limited		540,000				540,000
Eureka Forbes Limited						-
Rent Paid						-
Volkart Fleming Shipping & Services				1739520		1,739,520
Forbes and Company Limited		1223600				1,223,600
Remuneration						
Mr.Dhiraj Pahuja *					11,524,744	11,524,744
MS. Deepti Kulkarni					180,000	180,000
Received during the year						
G.S.Eeterprises			17,654,106			

Note: * Company's contribution toward NPS is not included under Remuneration

SHAPOORJI PALLONJI FORBES SHIPPING LIMITED

Notes to the financial statements for the year ended March 31, 2019 - continued
All amounts are in Rs. unless otherwise stated

30 Related Party Disclosures (contd.)

Previous Year

(b) transactions/ balances with above mentioned related parties (mentioned in note 29(a) above)

Particulars	Ultimate Controlling Company	Holding Company	Joint Venturer	Enterprises Under Common Control	Key Management personnel and relatives	Total
Balances outstanding as on March 31, 2018						
Payables						
Shapoorji Pallonji and Company Private Limited	1,050,829					1,050,829
Forbes and Company Limited		1635				1,635
Forbes Facility Services Private Limited				40,546		40,546
Forvol International Services Limited				114,739		114,739
Mr.Dhiraj Pahuja					1,629,181	1,629,181
Ms. Vijayalakshmi Kumar						-
						-
Receivables						-
G.S.Eeterprises			17,654,106			17,654,106
Forbes and Company Limited		-				-

Transactions						-
						-
Reimbursement of expenditure and purchase of capital assets incurred on behalf of the Company						-
Mr.Dhiraj Pahuja					2,302,912	2,302,912
Ms. Vijayalakshmi Kumar					4,278	4,278
Receiving of services						-
Shapoorji Pallonji and Company Private Limited	3,891,961					3,891,961
Forvol International Services Limited				558,211		558,211
Forbes Facility Services Private Limited				415,377		415,377
Forbes and Company Limited		1,146,500				1,146,500
Eureka Forbes Limited				4424		4,424
Rent Paid						-
Volkart Fleming Shipping & Services				1739520		1,739,520
Forbes and Company Limited		40000				40,000
Purchase of Capital Asset						-
Remuneration						
Mr.Dhiraj Pahuja *					10,502,089	10,502,089
Ms. Vijayalakshmi Kumar					413,787	413,787
MS. Deepti Kulkarni					97,500	97,500
Received during the year						
Deposit received and refunded during the year on account of nomination of a Director						-
Forbes and Company Limited - Received during the year		200,000				200,000
Forbes and Company Limited - Refunded during the year		200,000				200,000

Note: * Company's contribution toward NPS is not included under Remuneration

31. Segment reporting

The Company is only engaged in Shipping business and there are no reportable segments as per IND AS 108 'Operating Segments .'

32. Deferred Tax

Pursuant to the introduction of Section 115 VA under the Income Tax Act 1961, the Company has opted for computation of it's income from shipping acivities under the Tonnage Tax Scheme. Thus income from business of operating ships is assessed on the basis of deemed Tonnage Income of the Company and no deffered tax is applicable to such income as there are no temporary differences. The temporary difference in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered as necessary.

33. Payment to Auditors

	As at March 31, 2019	As at March 31, 2018
	Rs.	Rs.
As Auditor:		
- Audit Fees	220,000	220,000
- Tax Audit Fees	80,000	80,000
- Taxation Matters	-	-
- Other Services	210,000	100,000
- Out of Pocket Expenses	4,341	-
	514,341	**400,000**

34. Previous year figures

Previous year’s figures have been regrouped wherever necessary to confirm to current years classifications.

VOLKART FLEMING SHIPPING & SERVICES LIMITED

(a wholly owned subsidiary)

Financial Statements

For the Year ended March 31, 2019

INDEPENDENT AUDITOR'S REPORT
To the Members of **Volkart Fleming Shipping & Services Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Volkart Fleming Shipping & Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial controls 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 system in place and the operating effectiveness of such controls.

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

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

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

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 6th May, 2019

Annexure - A to the Auditors' Report

(referred to in paragraph 1 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company.

(iii) The Company has not granted loans secured or unsecured to bodies corporate, Firms, Limited Liability Partnerships covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act') Accordingly paragraph 3(iii) of the order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in the current year in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public during the year within the meaning of the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) To the best of our knowledge and as explained the Central Government has not prescribed maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, goods and service tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of income tax have not been deposited by the Company on account of dispute. There are no dues of service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	**Nature of dues**	**Amount under dispute (Rs.)**	**Amount outstanding (Rs.)**	**Period to which the amount relates**	**Forum where dispute is pending**
Income Tax Act	Income Tax Demands	18,96,866**	Nil	A.Y. 2003-04	Bombay High Court
Income Tax Act	Income Tax Demands	870,812**	Nil	A.Y. 2009-10	Income Tax Appellate, Tribunal
Income Tax Act	Income Tax Demands	999,382	999,382	A.Y. 2015-16	CIT (Appeals)

**Demands adjusted by income tax dept. from refunds due to the Company; appeal filed by Company.

(viii) The Company did not have any outstanding loans during the year.

(ix) The Company did not raise any money by way of Initial Public Offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 6th May, 2019

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

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

We have audited the Internal Financial Controls over financial reporting of **Volkart Fleming Shipping & Services Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Janak Mehta
Partner
Membership No. 116976

Place : Mumbai
Date : 6th May, 2019

VOLKART FLEMING SHIPPING & SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2019

Particulars	Note No.	As at 31-Mar-19 ₹	*As at 31-Mar-18 ₹*
ASSETS			
1 Non-current assets			
a Property, Plant and Equipment	**4**	2,57,814	*3,24,773*
b Investment Property	**5**	-	-
c **Financial Assets:**			
i) **Investments**			
a) Other Investments	**6A**	2,03,91,451	*2,03,91,451*
		2,03,91,451	*2,03,91,451*
ii) Other financial assets	**7A**	1,58,92,791	1,58,40,801
		3,62,84,242	*3,62,32,252*
d **Tax assets**			
i) Deferred tax assets (net)	**13**	-	*1,72,770*
i) Current tax assets (net)	**16**	1,94,88,790	*2,00,56,849*
		1,94,88,790	*2,02,29,619*
Total Non-current assets		**5,60,30,846**	*5,67,86,644*
2 Current assets			
a **Financial Assets:**			
i) Cash and cash equivalents	**8A**	66,64,120	*33,94,803*
ii) Other financial assets	**7B**	1,28,050	*1,781*
		67,92,170	*33,96,584*
b Other current assets	**9**	4,43,523	*3,75,253*
Total Current assets		**72,35,693**	*37,71,837*
Total Assets		**6,32,66,539**	*6,05,58,481*
EQUITY AND LIABILITIES			
Equity			
a Equity share capital	**10**	50,38,500	*50,38,500*
b Other equity	**11**	5,23,45,033	*4,89,02,176*
Total Equity		**5,73,83,533**	*5,39,40,676*
Liabilities			
1 Non-current liabilities			
a Deferred tax liabilities (net)	**13**	1,103	-
Total Non-current liabilities		**1,103**	-
2 Current liabilities			
a **Financial liabilities:**			
i) Trade and other payables	**15 A**		
a) total outstanding dues of micro enterprises and small enterprises; and		36,000	*63,018*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		15,92,294	*14,10,707*
ii) Other financial liabilities	**12A.**	22,99,840	*22,99,840*
		39,28,134	*37,73,565*
b Current tax liabilities (net)	**16**	12,87,158	*21,88,158*
c Other current liabilities	**14A**	6,66,611	*6,56,082*
		58,81,903	*66,17,805*
Total Current Liabilities		**58,81,903**	*66,17,805*
Total Liabilities		**58,83,006**	*66,17,805*
Total Equity and Liabilities		**6,32,66,539**	*6,05,58,481*

See accompanying notes forming part of the financial statements 1 to 32

As per our report **of even date**
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ______________________ *Directors*

SANDEEP KADAKIA ____________________

Mumbai, 6th May, 2019

VOLKART FLEMING SHIPPING & SERVICES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

	Particulars	Note No.	Year Ended 31-Mar-19 ₹	*Year Ended 31-Mar-18 ₹*
I	Revenue from operations	17	84,70,704	*1,31,76,317*
II	Other income	18	1,74,605	*24,214*
III	**Total Income (I + II)**		**86,45,309**	*1,32,00,531*
IV	**Expenses:**			
	Employee benefits expense	19	3,27,575	*38,71,880*
	Finance cost	20	726	*29,184*
	Depreciation and amortisation expense	21	66,959	*10,019*
	Other expenses	22	34,79,192	*45,64,325*
	Total expenses		**38,74,452**	*84,75,408*
V	**Profit / (loss) before exceptional items and tax (III - IV)**		**47,70,857**	*47,25,123*
VI	Exceptional items		-	-
VII	**Profit / (Loss) before tax (V + VI)**		**47,70,857**	*47,25,123*
VIII	**Tax expense / (credit):**			
	Current tax	23	**13,28,000**	*9,01,000*
	Deferred tax	23	-	*(1,72,770)*
			13,28,000	*7,28,230*
IX	**Profit for the period (VII - VIII)**		**34,42,857**	*39,96,893*
X	**Other Comprehensive Income**			
	Total Other Comprehensive Income		-	-
XI	**Total Comprehensive Income for the period (IX + X)**		**34,42,857**	*39,96,893*
XII	**Earning per equity share :**			
	Basic and diluted earnings per equity share	25	**₹ 68.33**	*₹ 79.33*

See accompanying notes forming part of the financial statements 1 to 32

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE __________________ *Chairperson*

NIRMAL JAGAWAT __________________

SANDEEP KADAKIA __________________

Directors

Mumbai, 6th May, 2019

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

	Year Ended 31-Mar-19 ₹		Year Ended 31-Mar-18 ₹	
Cash flows from operating activities				
Profit / (Loss) before tax		**47,70,857**		*47,25,123*
Adjustments for -				
Finance costs recognised in profit or loss	726		*29,184*	
Depreciation on fixed assets	66,959		*10,019*	
Interest Income	(1,54,605)		*(7,712)*	
		(86,920)		*31,491*
Operating profit / (loss) before working capital changes		**46,83,937**		*47,56,614*
Movements in working capital:				
Decrease / (increase) in trade receivables and other receivables	(26,744)		-	
(Increase)/decrease in other assets	(68,273)		*(2,87,384)*	
Increase / (decrease) in trade payables and other payables	1,54,572		*(4,32,606)*	
Increase / (decrease) in other liabilities	10,529		*(6,499)*	
		70,084		*(7,26,489)*
Cash generated from / (used in) operations		**47,54,021**		*40,30,125*
Income taxes paid (net of refunds)		(14,87,068)		*(13,27,838)*
(a) Net cash generated from / (used in) operating activities		*32,66,953*		*27,02,287*
Cash flows from investing activities:				
Purchase of fixed assets (including adjustments on account of capital work-in-progress and capital advances)	-			
Purchase / subscription of long-term investments				
-in fellow subsidiaries	-		*(3,34,792)*	
Investments in bank deposits (having original maturity of more than twelve months)	-		*(5,00,000)*	
Interest received	3,090		*3,089*	
(b) Net cash generated from / (used in) investing activities		**3,090**		*(8,31,703)*
Cash flows from financing activities:				
Repayment of borrowings	-		-	
Interest paid	(726)		-	
(c) Net cash generated from / (used in) financing activities		**(726)**		-
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**32,69,317**		*18,70,584*
(e) Cash and cash equivalents as at the commencement of the year		33,94,803		*15,24,219*
(f) Cash and cash equivalents as at the end of the year		66,64,120		*33,94,803*

See accompanying notes forming part of the financial statements 1 to 32

In terms of our report attached
For Batliboi and Purohit
Chartered Accountants
Firm Reg No.- 10404800

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE ____________________________ *Chairperson*

NIRMAL JAGAWAT ____________________________ *Directors*

SANDEEP KADAKIA ____________________________

Mumbai, 6th May, 2019

VOLKART FLEMING SHIPPING & SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

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

a. Equity share capital	No.of Shares	Amount
		₹
Balance at 1st April, 2017	50,385	50,38,500
Changes in equity share capital during the year	-	-
Balance at 31st March, 2018	**50,385**	**50,38,500**
Changes in equity share capital during the year	-	-
Balance at 31st March, 2019	**50,385**	**50,38,500**

B. Other Equity

	Reserves and surplus			Total Other Equity
	General reserve	**Retained earnings**	**Capital Redemption Reserve**	
	₹	₹	₹	₹
Balance as at 31.03.2018	**70,04,807**	**3,89,35,869**	**29,61,500**	**4,89,02,176**
Profit for the year		34,42,857		34,42,857
Balance as at 31.03.2019	**70,04,807**	**4,23,78,726**	**29,61,500**	**5,23,45,033**

See accompanying notes forming part of the financial statements 1 to 32

As per our report of even date
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

Janak Mehta
Partner
Membership No.: 116976
Mumbai, 6th May, 2019

SHRIKRISHNA BHAVE ________________ *Chairperson*

NIRMAL JAGAWAT __________________

SANDEEP KADAKIA __________________ *Directors*

Mumbai, 6th May, 2019

1. GENERAL INFORMATION
Volkart Fleming Shipping & Services Limited was incorporated on 2nd August, 1985 in India having its registered office at Cassinath Building, A.K. Nayak Marg, Fort, Mumbai 400 001. The Company is a subsidiary of Forbes & Company Limited and is mainly engaged in the real estate business.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance
The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015].

ii) Basis of Preparation and Presentation
The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period

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 the purpose of classification of its assets and liabilities as current and non current .

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

The functional currency of the Company is Indian Rupee(INR).

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

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 life prescribed in Schedule II to the Companies Act 2013.

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

Sr. No.	Class of assets	Estimated useful life
a	Office equipment	5 years

iv) 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.

v) Investment property
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. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model.

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 profit or loss in the period in which the property is derecognised.

vi) Intangible Assets
Intangible assets, being computer software, are to be 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 to be recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are to be 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 to be 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.

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

viii) Impairment of Assets
The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised.

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

x) Financial instruments

Financial assets and financial liabilities are recognised when a Company entity 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 profit or 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

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 profit or loss. The net gain or loss recognised in profit or 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 and other contractual rights to receive cash or other financial asset.

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

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a Company entity 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.

Foreign exchange gains and losses

For financial liabilities that are to be 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 Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. 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 profit or loss.

Impairment of financial assets :

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.

xi) 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.

xii) 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.

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.

xiii) Revenue recognition

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

Sale of Services:

Income from services is recognised on accrual basis as and when the services are performed.

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).

xiv) Lease accounting

Operating Leases

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

xv) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. 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 separate 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.

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.

Current and deferred tax are recognised in profit or 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.

xvi) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents includes cash on hand, cheques, drafts on hand, balances in current accounts with banks, other bank deposits with original maturities of three months or less.

xvii) Borrowing Costs

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

xviii) 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.

3. RECENT ACCOUNTING PRONOUNCEMENTS

Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs (MCA) issued the Companies (Indian Accounting Standards) Amendment Rules, 2019 which notified Ind AS 116, Leases. The amendment rules are effective from reporting periods beginning on or after April 1, 2019. This standard replaces current guidance in Ind AS 17 and is a far reaching change in accounting by lessees in particular.

The new standard eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The Group has a number of material non-cancellable operating leases or leases having lease terms of more than 12 months that are impacted on adoption of this standard.

The main changes arising on the adoption of Ind AS 116 will be as follows:

1. In the Balance Sheet, interest-bearing borrowings and non-current assets will increase as obligations to make future payments will be recognised on the Balance sheet, along with the related ‘right-of-use’ (ROU) asset.

2. In the statement of profit & loss, there will be a reduction in operating expenses and an increase in finance costs (lease interest expense at effective interest rate) and depreciation (on ROU assets on a straight line basis).

3. In the statement of cash flows, net operating cash flows is expected to increase, with a corresponding increase in financing cash outflows. This is because, earlier, companies presented cash outflows on former off balance sheet leases as operating activities. In contrast, applying Ind AS 116, principal repayments on all lease liabilities are included within financing activities along with interest.

The adoption of Ind AS 116 will require the Company to make a number of judgements, estimates and assumptions. The company is evaluating the impact of the standard on the financial position, results of operation and cashflow.

Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12

This amendment clarifies how the recognition and measurement requirements of Ind-AS 12 ‘Income taxes’, are applied where there is uncertainty over income tax treatments. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority.

The management is in process of evaluating the the impact of the amendment on the financial position. The Company will adopt the amendment from April 1, 2019.

Prepayment Features with Negative Compensation, Amendments to Ind AS 109

The amendment to Ind-AS 109 – ‘Financial Instruments’ enables entities to measure certain pre-payable financials assets with negative compensation at amortised cost. These assets, which include some loan and debt securities, would otherwise have to be measured at fair value through profit and loss. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is in process of evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant.

Plan Amendment, Curtailment or Settlement, Amendments to Ind AS 19

The amendment to Ind-AS 19 - Employee Benefits clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. This interpretation is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that the impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

Annual Improvements to Ind AS

Ind AS 23, “Borrowing Cost”- clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

Ind AS 12, “Income Taxes”- clarified that the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised. These requirements apply to all income tax consequences of dividends.

These interpretations are effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the impact of the amendment on the financial position, though it is expected that impact from the amendment would not be significant. The Company will adopt the amendment from April 1, 2019.

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

4. Property, plant and equipment

₹

		Year ended 31st March, 2019
	Office equipments	**Total**
Cost or Deemed cost		
Balance at Beginning of the year	3,34,792	3,34,792
Additions	-	-
Disposal	-	-
Balance at End of the year	3,34,792	3,34,792
Accumulated depreciation and impairment		-
Balance at Beginning of the year	10,019	10,019
Eliminated on disposals of assets	-	-
Depreciation expense	66,959	66,959
Balance at End of the year	76,978	76,978
Carrying Amount		-
Balance at Beginning of the year	3,24,773	3,24,773
Addition	-	-
Disposal	-	-
Depreciation expense	66,959	66,959
Balance at End of the year	2,57,814	2,57,814

₹

		Year ended 31st March 31, 2018
	Office equipments	*Total*
Cost or Deemed cost		
Balance at Beginning of the year	-	-
Additions	*3,34,792*	*3,34,792*
Acquisitions through business combinations	-	-
Disposal	-	-
Balance at End of the year	*3,34,792*	*3,34,792*
Accumulated depreciation and impairment		-
Balance at Beginning of the year	-	-
Eliminated on disposals of assets	-	-
Depreciation expense	*10,019*	*10,019*
Balance at End of the year	*10,019*	*10,019*
Carrying Amount		
Balance at Beginning of the year	-	-
Addition	*3,34,792*	*3,34,792*
Disposal	-	-
Depreciation expense	*10,019*	*10,019*
Balance at End of the year	*3,24,773*	*3,24,773*

5. Investment property

₹

	As at 31st March, 2019	*As at 31st March, 2018*
Completed investment properties	-	-
Total	**-**	**-**

Cost or Deemed Cost	**As at 31st March, 2019**	*As at 31st March, 2018*
Balance at beginning of year	3,113	*3113*
Additions		
Disposals		
Other transfers		
Effect of foreign currency exchange differences		
Other changes		
Property reclassified as held for sale		
Balance at end of year	3,113	*3,113*

Accumulated depreciation and impairment	**As at 31st March, 2019**	*As at 31st March, 2018*
Balance at beginning of year	3,113	*3,113*
Additions		
Disposals		
Other transfers		
Effect of foreign currency exchange differences		
Other changes		
Property reclassified as held for sale		
Balance at end of year	3,113	*3,113*

5.1 Fair value measurement of the Company's investment properties

The fair value of the Company’s investment properties as at 31st March, 2019 and 31st March, 2018 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi and Yardi Prabhu, independent valuers not related to the Company. V.S. Modi and Yardi Prabhu are registered with the authority which governs the valuers in India, and they have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2019 and 31st March, 2018 are as follows:

As at 31.03.2019

₹

Particulars	**Level 3**
New Delhi - Building	8,82,00,000
Karnataka - Building	1,60,00,000
Maharashtra - Building	13,06,04,000
Total	23,48,04,000

As at 31.03.2018

₹

Particulars	*Level 3*
New Delhi - Building	*8,29,50,000*
Karnataka - Building	*1,55,00,000*
Maharashtra - Building	*12,85,03,000*
Total	*22,69,53,000*

5.2 Note on Investment property direct expenses included in other expenses:-

	Year ended 31st March, 2019	*Year ended 31st March, 2018*
Direct operating expenses arising from investment property that generated rental income during the year	*15,62,959*	*15,12,477*
Direct operating expenses arising from investment property that did not generate rental income during the year	*2,75,083*	*2,28,321*
Total	***18,38,042***	*17,40,798*

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

6. Other investments

6A. Other Non Current Investments

particulars	As at 31st March, 2019 Qty	As at 31st March, 2019 Amount ₹	*As at 31st March, 2018 Qty*	*As at 31st March, 2018 Amount ₹*
Unquoted Investments (all fully paid) (other than trade investments)				
(i) Investments in Carmel Properties Pvt. Ltd. held at Cost (since it is towards investment property refer note no. 1 below) :-				
(a) Equity shares of Rs. 10 each	1,125	2,500	*1,125*	*2,500*
(b) Irredeemable debentures of Rs. 100 each	3,089	3,88,951	*3,089*	*3,88,951*
Total (i)	4,214	3,91,451	*4,214*	*3,91,451*
(ii) Investments in Forbes Technosys Limited at cost (Fellow subsidiary)				
(a) 10% Optionally Redeemable compulsory Convertible, Non Cumulative Preference Shares of Rs. 10 each in Forbes Technosys Limited	20,00,000	2,00,00,000	*20,00,000*	*2,00,00,000*
Total (iI)	20,00,000	2,00,00,000	*20,00,000*	*2,00,00,000*
TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)	**20,04,214**	**2,03,91,451**	*20,04,214*	*2,03,91,451*
TOTAL INVESTMENTS	**20,04,214**	**2,03,91,451**	*20,04,214*	*2,03,91,451*
Less : Aggregate amount of impairment in value of investments (B)	-	-	-	-
TOTAL INVESTMENTS CARRYING VALUE (A) - (B)		**2,03,91,451**		*2,03,91,451*
Aggregate market value of quoted investments		-		-

Note 1:-

(Carmel property is a residential flat at Mumbai, market value as at 31.03.2019 is ₹ 10,50,92,500/-, *31.03.2018 is ₹ 10,42,65,000/-* as per valuation report issued by V.S.Modi Associates, Chartered Engineer, Govt. Approved Valuers, Mumbai)

6.1A. Category-wise other investments – as per Ind AS 109 classification

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Financial assets carried at amortised cost		
Equity Instruments	2,500	*2,500*
Preference Instruments	2,00,00,000	*2,00,00,000*
Debentures	3,88,951	*3,88,951*
Sub Total	**2,03,91,451**	*2,03,91,451*
Total	**2,03,91,451**	*2,03,91,451*

7. Other financial assets

7A. Other financial assets - Non current

₹

	Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a)	**Security deposits**		
	- Secured, considered good	-	*-*
	- Unsecured, considered good	1,53,56,178	*1,53,36,178*
	- Doubtful	-	*-*
	Less : Allowance for bad and doubtful loans	-	*-*
	sub total (a)	**1,53,56,178**	*1,53,36,178*
b)	Balance held as Deposits with banks with remaining maturity period of more than 12 months	**5,00,000**	*5,00,000*
c)	i) Interest Accrued on Deposits with Banks	**36,613**	*4,623*
	Total	**1,58,92,791**	*1,58,40,801*

7B. Other financial assets - Current

₹

	Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a)	**Accruals:**		
	i) Interest accrued on investments	-	*1,781*
	ii) Interest Accrued on Deposits with Banks	1,21,306	*-*
	sub total (a)	**1,21,306**	*1,781*
b)	**Contractually reimbursable expenses to related parties**		
	- Unsecured, considered good	6,744	*-*
	sub total (b)	**6,744**	*-*
	Total	**1,28,050**	*1,781*

8. 8A. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Balances with Banks		
a) In current accounts	48,63,983	*33,90,560*
b) Deposits accounts (with original maturity upto 3 months)	18,00,000	*-*
	66,63,983	*33,90,560*
Cash on hand	137	*4,243*
Cash and cash equivalents as per balance sheet	**66,64,120**	*33,94,803*

₹

9. Other assets - Current	As at 31st March, 2019	*As at 31st March, 2018*
a) Advances for supply of goods and services		
- Unsecured, considered good	492	*-*
b) Balances with statutory / government authorities		
- Unsecured, considered good	4,43,031	*3,75,253*
Total	**4,43,523**	*3,75,253*

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

10. Equity Share Capital

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Equity shares of ₹ 10 each	**50,38,500**	*50,38,500*
Total	**50,38,500**	*50,38,500*
Authorised Share capital :		
1,00,000 fully paid equity shares of ₹ 100 each	**1,00,00,000**	*1,00,00,000*
Issued and subscribed capital comprises:		
50,385 fully paid equity shares of ₹ 100 each	**50,38,500**	*50,38,500*
	50,38,500	*50,38,500*

10.1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at April 1, 2017	**50,385**	**50,38,500**
Movements	-	-
Balance at March 31, 2018	**50,385**	**50,38,500**
Movements	-	-
Balance at March 31, 2019	**50,385**	**50,38,500**

Fully paid equity shares, which have a par value of Rs.100, carry one vote per share and carry a right to dividends.

10.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at 31st March, 2019	*As at 31st March, 2018*
Balance at the beginning of the period	**50,385**	*50,385*
The holding company	-	-
Total	**50,385**	*50,385*

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

Particulars	As at 31st March, 2019		*As at 31st March, 2018*	
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Forbes & Company Limited	**50,385**	**100.00**	*50,385*	*100.00*
Total	**50,385**	**100.00**	*50,385*	*100.00*

11. Other equity

₹

	Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a)	General reserve	**70,04,807**	*70,04,807*
b)	Retained earnings	**4,23,78,726**	*3,89,35,869*
c)	Capital redemption reserve	**29,61,500**	*29,61,500*
	Total	**5,23,45,033**	*4,89,02,176*

₹

	Particulars	As at 31st March, 2019	*As at 31st March, 2018*
11.1	**General reserve (Refer Note 1)**		
	Balance at beginning of the year	**70,04,807**	*70,04,807*
	Movements	**-**	*-*
	Balance at end of the year	**70,04,807**	*70,04,807*

Note 1: The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

₹

	Particulars	As at 31st March, 2019	*As at 31st March, 2018*
11.2	**Retained earnings**		
	Balance at beginning of year	**3,89,35,869**	*3,49,38,976*
	Profit attributable to owners of the Company	**34,42,857**	*39,96,893*
	Balance at end of the year	**4,23,78,726**	*3,89,35,869*

₹

	Particulars	As at 31st March, 2019	*As at 31st March, 2018*
11.3	**Capital redemption reserve**		
	Balance at beginning of the year	**29,61,500**	*29,61,500*
	Movements	**-**	*-*
	Balance at end of the year	**29,61,500**	*29,61,500*
	Total	**5,23,45,033**	*4,89,02,176*

12. Other financial liabilities

12A. Other financial liabilities - Current

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
a) Others :-		
- Security deposits	**22,99,840**	*22,99,840*
Total	**22,99,840**	*22,99,840*

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

13. Deferred tax balances

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

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Deferred tax assets	**-**	*1,72,770*
Deferred tax liabilities	**1,103**	*-*
Net	**(1,103)**	*1,72,770*

Current Year (2018-2019) ₹

Particulars	Opening balance	Utilisation	Closing balance
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	(1,103)	-	**(1,103)**
Total (A) ...	(1,103)	-	**(1,103)**
b) Others (MAT Credit)	1,73,873	(1,73,873)	-
Total (B) ...	1,73,873	(1,73,873)	-
Total (A+B) ...	1,72,770	(1,73,873)	**(1,103)**

Previous Year (2017-2018) ₹

Particulars	*Opening balance*	*Recognised in profit or loss*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:			
a) Property, plant and equipment	*-*	*(1,103)*	*(1,103)*
Total (A) ...	*-*	*(1,103)*	*(1,103)*
b) Others (MAT Credit)	*-*	*1,73,873*	*1,73,873*
Total (B) ...	*-*	*1,73,873*	*1,73,873*
Total (A+B) ...	*-*	*1,72,770*	*1,72,770*

14. Other non-current liabilities

14A Other current liabilities

₹

Particulars		As at 31st March, 2019	*As at 31st March, 2018*
a)	Advances	**5,68,668**	*5,68,669*
b)	Statutory remittances	**97,943**	*87,413*
	Total	**6,66,611**	*6,56,082*

15. Trade payables

15 A Trade payables - Current

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Micro and small enterprises	**36,000**	*63,018*
Others	**15,92,294**	*14,10,707*
Total	**16,28,294**	*14,73,725*

Payable to Micro and small enterprises represents the principal amount. There is no interest due / accrued / paid / payable during the year.
The Company ensures that all payables are paid within the agreed terms.

16. Current tax assets and liabilities

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Current tax assets		
Tax refund receivable	**1,94,88,790**	*2,00,56,849*
	1,94,88,790	*2,00,56,849*
Current tax liabilities		
Income tax payable	**12,87,158**	*21,88,158*
	12,87,158	*21,88,158*
Current Tax Assets (current portion)	**-**	*-*
Current Tax Assets (non-current portion)	**1,94,88,790**	*2,00,56,849*

17. Revenue from operations

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
a) **Service Charges**		
i) Professional Services	-	*49,50,000*
	-	*49,50,000*
b) **Other operating revenues**		
i) Rent and amenities	84,70,704	*82,26,317*
	84,70,704	*82,26,317*
Total	**84,70,704**	*1,31,76,317*

18. Other Income

a) Interest Income

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
i) Long Term Investments	1,309	*3,089*
ii) Bank deposits	1,53,296	*4,623*
Total (a)	**1,54,605**	*7,712*

b) Other Non-Operating Income (Net of expenses directly attributable to such income)

Miscellaneous income	20,000	*16,502*
Total (b)	**20,000**	*16,502*
Total	**1,74,605**	*24,214*

19. Employee benefits expense

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
i) Salaries and Wages	3,27,447	*38,70,853*
ii) Staff Welfare Expenses	128	*1,027*
Total	**3,27,575**	*38,71,880*

20. Finance costs

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
(a) **Interest costs :-**		
i) Notional Interest on Security Deposits	-	*29,184*
ii) Other interest expense	726	*-*
Total (a)	**726**	*29,184*

The weighted average capitalisation rate on funds borrowed generally is 10 % per annum (2017-2018: 10% per annum).

21. Depreciation and amortisation expense

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
i) Depreciation of Property Plant & Equipment	66,959	*10,019*
Total depreciation and amortisation pertaining to continuing operations	**66,959**	*10,019*

22. A. Other expenses

₹

	Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
a)	Power and fuel	2,62,604	*2,75,235*
b)	Rent and hire charges	68,880	*68,880*
c)	**Repairs to :**		
	i) Buildings	4,63,990	*6,86,287*
	iii) Others	68,098	*93,957*
		5,32,088	*7,80,244*
d)	Rates and taxes (excluding taxes on income)	13,98,914	*11,68,433*
e)	Communication	4,257	*29,961*
f)	Legal and professional charges	3,39,800	*11,39,500*
g)	Travelling and conveyance	11,792	*38,424*
h)	Housekeeping Charges	2,99,822	*3,03,427*
i)	Security Charges	4,65,000	*6,00,750*
j)	Miscellaneous expenses	35,425	*78,621*
	Total (A)	**34,18,582**	*44,83,475*
B.	**To Statutory auditors**		
	i) For audit	40,000	*40,000*
	ii) For tax audit	-	*20,000*
	iv) For other services	20,000	*20,000*
	v) For reimbursement of expenses	610	*850*
	Total (B)	**60,610**	*80,850*
	Total (A) + (B)	**34,79,192**	*45,64,325*

23. Income taxes relating to continuing operations

23.1 Income tax recognised in profit or loss

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
Current tax		
In respect of the current year	13,28,000	*9,01,000*
In respect of prior years	-	-
	13,28,000	*9,01,000*
Deferred tax		
In respect of the current year	-	*(1,72,770)*
	-	*(1,72,770)*
Total income tax expense recognised in the current year relating to continuing Operations	**13,28,000**	*7,28,230*

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

₹

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
Profit before tax from continuing operations	**47,70,857**	*47,25,123*
Income tax expense calculated at 26% (2017-2018: 25.75%)	12,40,423	12,16,719
Effect of expense that is non deductible in determining taxable profit	5,56,874	7,515
Effect of tax incentives and concession	(4,69,812)	(4,92,227)
Effect of Fixed Asset related Deferred Tax Liability recognized during this year	-	(4,405)
Rounding off of tax provision	516	628
Income tax expense recognised in profit or loss (relating to continuing operations)	**13,28,000**	**7,28,230**

The tax rate used for the 2018-2019 and 2017-2018 reconciliations above is the corporate tax rate of 26% and 25.75% respectively payable by corporate entities in India on taxable profits under the Indian tax law.

24. Contingent liabilities

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
(a) Claims against the Company not acknowledged as debt		
(i) Legal Matter :- An eviction suit against the company, as a tenant and a claim for mense profit. The claim amount is not ascertainable.		
(ii) Other Legal Matter	-	*11,00,000*
(iii)Income Tax Matters	37,67,060	*37,67,060*

25. Earnings per share

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
From Continuing operations	**₹. per share**	*₹. per share*
Basic earnings per share	**68.33**	*79.33*
Diluted earnings per share	**68.33**	*79.33*

25.1. Basic Earnings per share

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

Particulars	Year ended 31st March, 2019	*Year ended 31st March, 2018*
Profit for the year attributable to owners of the Company (A) ₹	**34,42,857**	*39,96,893*
Weighted average number of equity shares for the purposes of basic earnings per share (B)	**50,385**	*50,385*
Basic Earnings per share (A/B) ₹	**68.33**	*79.33*

25.2. Diluted earnings per share

There is no dilution of equity shares.

26. Segment reporting

The Company has identified business segments as "Professional services" and "Real estate".
In the current year, Company was only engaged in real estate business and hence there is no segment reporting.

Previous year segment reporting is as under :-
Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable basis in respect of previous year.

₹

Information about primary business segments for the previous year:

Particulars	Professional Services	Real Estate	Total
	31st March, 2018	*31st March, 2018*	*31st March, 2018*
External segment revenue	*49,50,000*	*82,45,908*	*1,31,95,908*
Add: Inter segment revenue	-	-	-
Revenue from operations	*49,50,000*	*82,45,908*	*1,31,95,908*
Segment Results - Profit / (Loss)	*(2,11,508)*	*52,01,028*	*49,89,520*
Add: Unallocated income			*4,623*
Less: Unallocated expenses			*(2,39,836)*
Less: Exceptional items other than related to segments (net)			-
Profit / (Loss) before tax and finance costs			*47,54,307*
Less: Finance costs			*(29,184)*
Profit / (Loss) before tax			*47,25,123*
Provision for taxation:			
Current tax expense			*(9,01,000)*
Deferred tax			*1,72,770*
Profit / (Loss) after tax			*39,96,893*
			-
Capital employed			
Segment assets	*13,300*	*1,60,40,883*	*1,60,54,183*
Unallocated corporate assets			*4,45,04,298*
Total assets	*13,300*	*1,60,40,883*	*6,05,58,481*
Segment liabilities	*(53,802)*	*(42,26,470)*	*(42,80,272)*
Unallocated corporate liabilities			*(23,37,534)*
Total liabilities	*(53,802)*	*(42,26,470)*	*(66,17,805)*
Capital employed	*(40,502)*	*1,18,14,414*	*5,39,40,676*
			-
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress		*3,34,792*	-
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress			-
Total capital expenditure			
Segment depreciation / amortisation	-	*10,019*	*10,019*
Unallocated corporate depreciation / amortisation			-
Total depreciation / amortisation		*10,019*	*10,019*
Non-cash segment expenses other than depreciation		-	-
Unallocated non-cash expenses other than depreciation			-
Total non-cash expenses other than depreciation		-	-

27. Financial instruments

27.1. 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 mainly consists of equity of the Company (comprising issued capital, general reserves, retained earnings and capital redemption reserve as detailed in notes 10 to 11).

The company is not exposed to currency risk as there are no forex transactions and also no exposure to interest rate risks since no variable rate instruments.

As at 31.03.2019 there are no borrowings and currently Company does not intend to borrow and there is no line of credit. with bank, hence no gearing ratio.

27.2 Categories of financial instruments

₹

Particulars	As at 31st March, 2019	*As at 31st March, 2018*
Financial assets		
Measured at Amortised Cost		
Cash and bank balances	66,64,120	*33,94,803*
Other Financial Assets	1,60,20,841	*1,58,42,582*
Investments in Equity Instruments	2,500	*2,500*
Investments in Preference Shares	2,00,00,000	*2,00,00,000*
Investments in Debentures	3,88,951	*3,88,951*
	4,30,76,412	*3,96,28,836*
Financial liabilities		
Measured at Amortised Cost		
Trade and Other payables	16,28,294	*14,73,725*
Other Financial Liabilities	22,99,840	*22,99,840*
	39,28,134	*37,73,565*

27.3 Financial risk management objectives

The company monitors and manages the financial risks to the operations of the company . These risks include credit risk and liquidity risk.

23.9 Credit risk management

Based on the Company's monitoring of customer credit risk, the company believes that no impairment allowance is necessary in respect of trade receivables that are not past due or past due but not more than one year.

Liquidity risk management

Liquidity Risk Management implies maintenance of sufficient cash and bank balance to meet obligations when due. The company manages liquidity risk by maintaining adequate funds, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

₹

Maturities of Financial Liabilities	**31st March, 2019**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	16,28,294			
Other Financial Liabilities	22,99,840			
	39,28,134	-	-	-

₹

Maturities of Financial Liabilities	*31st March, 2018*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Trade Payables	*14,73,725*			
Other Financial Liabilities	*22,99,840*	-		
	37,73,565	-	-	-

VOLKART FLEMING SHIPPING & SERVICES LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2019 - Continued

28. Related Party Disclosures

Current Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Shapoorji Pallonji and Company Private Limited	SP&CPL
Holding Company	Forbes & Company Limited	F&CL
Fellow Subsidiaries (where there are transactions)	Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited) Forbes Facility Services Pvt. Ltd. Forbes Campbell Services Ltd. Campbell Properties & Hospitality Services Ltd. Forbes Technosys Limited	SPFSL FFSPL FCSL CP&HSL FTL

Previous Year

(a) Name of the Related Parties and Description of Relationship:

Nature of Relationship	Name of Entity	Abbreviation used
Ultimate Holding Company	Shapoorji Pallonji and Company Private Limited	SP&CPL
Holding Company	Forbes & Company Limited	F&CL
Fellow Subsidiaries (where there are transactions)	Shapoorji Pallonji Forbes Shipping Limited (Formerly known as SCI Forbes Limited) Forbes Facility Services Pvt. Ltd. Forbes Technosys Limited Forbes Campbell Services Ltd.	SPFSL FFSPL FTL FCSL

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

28. Related party disclosures (contd.)

₹

(b) Details of related party transactions during the year ended 31st March, 2019 and balances outstanding as at 31st March, 2019:

		Ultimate Holding Company	Holding Company		Fellow Subsidiaries						
		Shapoorji Pallonji and Company Private Limited	Forbes & Company Limited	Parties in A above	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties & Hospitality Services Ltd.	Forbes Facility Services Limited	Forbes Campbell Finances Ltd.	Forbes Campbell Services Ltd.	Parties in B above	Total
	Outstandings										
1	Trade Payables	7,548.00	24,127	**31,675**	-	8,700	19,405		29,000	**57,105**	**88,780**
2	Contractual reimbursement	-	-	**-**	-	-	-		6,744	**6,744**	**6,744**
	Nature of Transaction										
	Sales / Services										
1	Services Rendered	-	-	**-**	-	-	-		-	**-**	**-**
	Expenses										
2	Miscellaneous expenses	25,586.00	12	**25,598**	-	90,000	1,93,546		4,65,000	**7,48,546**	**7,74,144**
	Income										
3	Rent and Other Service Charges	-	-	**-**	17,39,520	-	-		-	**17,39,520**	**17,39,520**
4	**Other Reimbursements**	-	3,75,229	**3,75,229**	-	50	-		2,64,932	**2,64,982**	**6,40,211**

Note :-

1 For details of investments in subsidiaries, associates and joint ventures refer note 6A

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

28. Related party disclosures (contd.) ₹

(b) Details of related party transactions during the year ended 31st March, 2018 and balances outstanding as at 31st March, 2018:

		Ultimate Holding Company	Holding Company		Fellow Subsidiaries					
		Shapoorji Pallonji and Company Private	Forbes & Company Limited	Parties in A above	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties & Hospitality	Forbes Facility Services Limited	Forbes Campbell Services Ltd.	Parties in B above	Total
	Outstandings									
1	Trade Payables	-	59,869	59,869	-	1,04,400	-	-	1,04,400	1,64,269
	Nature of Transaction									
	Sales / Services									
1	Services Rendered	-	49,50,000	49,50,000	-	-	-	-	-	49,50,000
	Expenses									
2	Miscellaneous expenses	23,076.00	12	23,088	-	90,000	1,86,553	6,00,000	8,76,553	8,99,641
	Income									
3	Rent and Other Service Charges	-	90,000	90,000	17,39,520	-	-	-	17,39,520	18,29,520
4	Other Reimbursements	-	39,49,501	39,49,501	-	-	-	-	-	39,49,501

Note :-

1 For details of investments in subsidiaries, associates and joint ventures refer note 6A

VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

29. Leases

(a) The company has taken certain office premises on operating lease basis(cancellable). Lease payments in respect of such leases recognised in the statement of profit and Loss Rs 0.69 Lacs *(previous year Rs 0.69 Lacs)*

(b) Except for escalation clauses contained in certain lease agreements providing for increase in the lease payment by a specified percentage / amounts after completion of specified period, the lease terms do not contain any exceptional / restrictive covenants other than prior approval of the lessee before the renewal of lease.

(c) There are no restrictions such as those concerning dividend and additional debt other than in some cases where prior approval of lessor is required for further leasing. There is no contingent rent payment.

(d) Operating Lease: Company as lessor

(i) The company has given certain office / residential premises on operating lease basis, the details of which are as follows:

₹

Class of Asset	**As at 31st March, 2019**	*As at 31st March, 2018*
Gross carrying Amount	**3,113**	*3,113*
Accumulated Depreciation	**3,113**	*3,113*
Depreciation for the year	**-**	-

30. Micro, Small and Medium Enterprises

On the basis of responses received against enquiries made by the Company, there is an amount of Rs. 36,000/- outstanding in respect of Micro and Small Enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 as at the Balance Sheet date. The Company has not defaulted in payment of dues to such entities during the year.

31. The Company has adopted IND AS 115 " Revenue from contracts with customer" effective April,1 2018 using the modified retrospective transition approach, based on assessment done by the management, there is no material impact on the revenue recognition during the period.

32. Previous year's figures have been regrouped wherever necessary.

In terms of our report attached
For Batliboi & Purohit
Chartered Accountants
Firm Reg No.-101048W

SHRIKRISHNA BHAVE ____________________ *Chairperson*

NIRMAL JAGAWAT ____________________

SANDEEP KADAKIA ____________________

Directors

Janak Mehta
Partner
Membership No.: 116976
Muml Mumbai, 6th May, 2019