

**FORBES & COMPANY LIMITED**

**FINANCIAL STATEMENTS OF  
SUBSIDIARY COMPANIES  
FOR THE YEAR ENDED 2021-2022**

## FORBES & COMPANY LIMITED

Financial Statements of Subsidiary Companies  
for the year ended  
2021-2022

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**CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED**  
**(a wholly owned subsidiary)**

**Financial Statements**  
**For the Year ended March 31, 2022**

**INDEPENDENT AUDITOR'S REPORT**

To the Members of **Campbell Properties & Hospitality Services Limited**

**Report on the audit of 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 31<sup>st</sup> March, 2022, 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. (heréin 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 31<sup>st</sup>, 2022 and its profit, 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 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.

**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 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.

That Board of Directors are also responsible for overseeing the Company's financial reporting process.

The Board is also responsible for overseeing any amendments in Company's Act has been incorporated or not.

## **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 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.

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**

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 aforesaid Ind 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,2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March,2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls 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, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act.
- (h) in our opinion and to the best of our information and according to the explanations given to 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**

**Uday V. Shah**  
**Partner**  
**M No: 035626**  
**Date: 19<sup>th</sup> May, 2022**  
**Place: Mumbai**  
**UDIN:- 22035626AJMJCO8449**

**“ANNEXURE A” TO INDEPENDENT AUDITORS’ REPORT OF CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

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 letting of property on lease and rendering hospitality services, 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 not granted loans to any Body Corporate covered in the register maintained under section 189 of the Companies Act, 2013 (“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 Income-tax, Goods and Service Tax, Profession Tax and other material statutory dues applicable to it to the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Income-tax, Goods and Services Tax Profession Tax and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.
- (viii) The Company does not have any transactions to recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) The Company has not taken any loans or borrowings from Government and not issued any debenture during the year.
- (x) 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.
- 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.
- (xi) 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.
- (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) The Company is excluded from the ambit of internal audit under section 138 of the Act. Further the Company has an adequate internal controls system which commensurate with the size and nature of business of a company.
- (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.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, auditor is of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) The provisions as provided in Section 135 of the Companies Act, 2013 (herein after referred as 'the Act' are not applicable. Accordingly, paragraph 3(xx) of the Order is not applicable.

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

**Uday V. Shah**  
**Partner**  
**M No: 035626**  
**Date: 19<sup>th</sup> May, 2022**  
**Place: Mumbai**  
**UDIN:- 22035626AJMJCO8449**

## **“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, 2022** 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 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, 2022**, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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**

**Uday V. Shah**  
**Partner**  
**Membership Number: 035626**  
**Place: Mumbai,**  
**Date: 19<sup>th</sup> May, 2022**  
**UDIN:- 22035626AJMJC08449**

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at 31st Mar., 2022 INR in Thousand	As at 31st Mar., 2021 INR in Thousand
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	3	14.89	16.14
<b>b Intangible assets:</b>			
i) R-T-U-Assets	23	4.25	55.22
		<u>4.25</u>	<u>55.22</u>
<b>c Financial Assets:</b>			
i) Other financial assets	5A	17,520.00	17,520.00
		<u>17,520.00</u>	<u>17,520.00</u>
<b>d Tax assets</b>			
i) Deferred tax assets (net)	10	5.47	16.54
ii) Tax assets (net)	13	14.81	90.00
		<u>20.27</u>	<u>106.54</u>
<b>Total Non-current assets</b>		<u>17,559.40</u>	<u>17,697.90</u>
<b>2 Current assets</b>			
<b>a Financial Assets:</b>			
i) Trade receivables	4A.	310.72	352.35
ii) Cash and cash equivalents	6A	1,259.11	515.53
		<u>1,569.83</u>	<u>867.87</u>
b Other current assets	8A.	0.49	17.96
<b>Total Current assets</b>		<u>1,570.32</u>	<u>885.84</u>
<b>Total Assets</b>		<u>19,129.72</u>	<u>18,583.74</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity share capital	8	4,875.00	4,875.00
b Other equity	9	14,011.47	13,396.74
Equity attributable to owners of the Company		<u>18,886.47</u>	<u>18,271.74</u>
<b>Total Equity</b>		<u>18,886.47</u>	<u>18,271.74</u>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
<b>a Financial liabilities:</b>			
i) Lease liability	23	-	1.35
<b>Total Non-current liabilities</b>		<u>-</u>	<u>1.35</u>
<b>1 Current liabilities</b>			
<b>a Financial liabilities:</b>			
i) Trade and other payables	12	210.36	213.95
ii) Lease liability	23	-	56.11
		<u>210.36</u>	<u>270.06</u>
b Current tax liabilities (net)	13	21.17	38.09
c Other current liabilities	13A	11.72	2.50
<b>Total Current Liabilities</b>		<u>243.25</u>	<u>310.65</u>
<b>Total Liabilities</b>		<u>243.25</u>	<u>312.00</u>
<b>Total Equity and Liabilities</b>		<u>19,129.72</u>	<u>18,583.74</u>

See accompanying notes forming part of the financial statements

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

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

**Uday V. Shah**  
Membership No.: 035626  
Mumbai, 19th May, 2022

PANKAJ KHATTAR \_\_\_\_\_

Mumbai, 19th May, 2022

**CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2022**

Particulars	Note No.	As at	As at
		31st Mar., 2022 INR in Thousand	31st Mar., 2021 INR in Thousand
I Revenue from operations	14	2,515.80	854.40
II Other income	15	2.64	25.39
III Total Income (I + II)		<u>2,518.44</u>	<u>879.79</u>
IV Expenses:			
Finance cost	16	3.60	7.77
Depreciation and amortisation expense	17	62.83	62.13
Other expenses	18	1,623.57	806.21
Total expenses		<u>1,689.99</u>	<u>876.11</u>
V Profit / (loss) before exceptional items and tax (III - IV)		<u>828.45</u>	<u>3.69</u>
VI Exceptional items		-	-
VII Profit / (Loss) before tax (V + VI)		<u>828.45</u>	<u>3.69</u>
VIII Tax expense / (credit):			
Current tax	19	202.64	0.58
Deferred tax	19	11.08	0.06
		<u>213.71</u>	<u>0.63</u>
IX Profit/(Loss) for the period (VII - VIII)		<u>614.73</u>	<u>3.06</u>
X Other Comprehensive Income			
Total Other Comprehensive Income		-	-
XI Total Comprehensive Income for the period (IX + X)		<u>614.73</u>	<u>3.06</u>
XII Earning per equity share :			
Basic and diluted earnings per equity share		INR 1.26	INR 0.01

See accompanying notes forming part of the financial statements

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

**Uday V. Shah**  
Membership No.: 035626  
Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

	As at 31st Mar., 2022 INR in Thousand	As at 31st Mar., 2021 INR in Thousand
<b>Cash flows from operating activities</b>		
<b>Profit / (Loss) before tax</b>	<b>828.45</b>	3.69
<b>Adjustments for -</b>		
Finance costs recognised in profit or loss	3.60	7.77
Depreciation and amortisation of non-current assets (continuing operations)	62.83	62.13
Interest Income	-	(25.39)
	<u>66.42</u>	<u>44.50</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>894.87</b>	<b>48.19</b>
<b>Movements in working capital:</b>		
Decrease / (increase) in trade receivables and other receivables	40.63	(52.00)
(Increase)/decrease in other assets	17.47	(17.05)
Increase / (decrease) in trade payables and other payables	(3.59)	(34.01)
Increase / (decrease) in other liabilities	9.22	(0.18)
	<u>63.73</u>	<u>(103.24)</u>
<b>Cash generated from / (used in) operations</b>	<b>958.60</b>	<b>(55.05)</b>
Income taxes paid (net of refunds)	(144.36)	(32.66)
<b>(a) Net cash generated from / (used in) operating activities</b>	<b>814.23</b>	<b>(87.71)</b>
<b>Cash flows from investing activities:</b>		
Inter-corporate deposits placed with related parties		-
Inter-corporate deposits refunded by related parties	-	250.00
Interest received	-	25.39
	<u>-</u>	<u>25.39</u>
<b>(b) Net cash generated from / (used in) investing activities</b>	<b>(10.59)</b>	<b>275.39</b>
Payment of Lease Liabilities	(60.00)	(60.00)
Interest paid	(1.06)	-
	<u>(61.06)</u>	<u>(60.00)</u>
<b>(c) Net cash generated from / (used in) financing activities</b>	<b>(61.06)</b>	<b>(60.00)</b>
<b>(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>	<b>742.58</b>	<b>127.68</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>516.53</b>	<b>387.84</b>
<b>(f) Cash and cash equivalents as at the end of the year</b>	<b>1,259.11</b>	<b>515.53</b>

See accompanying notes forming part of the financial statements

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

**Uday V. Shah**  
 Partner  
 Membership No.: 035626  
 Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ *Chairperson*

RAVINDER PREM \_\_\_\_\_ } *Directors*

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### Statement of changes in equity for the period ended 31st March, 2022

a. Equity share capital	INR in Thousand	
	No. of Shares in Thousand	Amount
<b>Balance at March 31, 2020</b>	487.50	4.88
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2021</b>	487.50	4.88
Changes in equity share capital during the year	-	-
<b>Balance at March 31, 2022</b>	<b>487.50</b>	<b>4.88</b>

B. Other Equity	Reserves and surplus		
	Securities premium reserve	Retained earnings	Total
	INR in Thousand	INR in Thousand	INR in Thousand
<b>Balance at March 31, 2020</b>	13,125.00	268.69	13,393.69
Profit for the year	-	3.06	3.06
Other comprehensive income for the year, net of income tax	-	-	-
<b>Balance at March 31, 2021</b>	13,125.00	271.74	13,396.74
Profit for the year	-	614.73	614.73
Other comprehensive income for the year, net of income tax	-	-	-
<b>Balance at March 31, 2022</b>	<b>13,125.00</b>	<b>886.47</b>	<b>14,011.47</b>

**See accompanying notes forming part of the financial statements**

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

**Uday V. Shah**  
 Partner  
 Membership No.: 035626  
 Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ *Chairperson*

RAVINDER PREM \_\_\_\_\_

PANKAJ KHATTAR \_\_\_\_\_

} *Directors*

Mumbai, 19th May, 2022



# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 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.

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 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.

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 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**

##### **Lease accounting (applicable for the year ended 31 March 2022):**

###### *As a lessee:*

From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non lease components. The Company allocates the consideration in the contracts to the lease and non-lease components based on their relative standalone prices. However, the Company has elected not to separate lease and non-lease components and instead account for these as a single lease components.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substances fixed payments), less any lease incentive receivable
- the exercise price of the purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third party financing received by the lessee as a starting point, adjusted to reflect changes in financing condition since third party financing received
- use a build-up approach that starts with the risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- make adjustments specific to the leases, e.g. term, security, currency etc.

The Company is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. Finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

**CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022 - Continued**

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis in the Statement of Profit and Loss. Short term leases are leases with a lease term of 12 months or less. Low value asset comprise equipments.

**As a lessor:**

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating leases are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

**Lease accounting (applicable for the year ended 31 March 2019):**

**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.

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 3. Property, plant and equipment

INR in Thousand

	Office equipments	Total
<b>Cost or Deemed cost</b>		
<b>Balance at April 1, 2021</b>	55.77	55.77
Additions	10.59	10.59
Disposal	-	-
<b>Balance at March 31, 2022</b>	<b>66.36</b>	<b>66.36</b>
<b>Accumulated depreciation and impairment</b>		
<b>Balance at April 1, 2021</b>	39.63	39.63
Depreciation expense	11.85	11.85
<b>Balance at March 31, 2022</b>	<b>51.48</b>	<b>51.48</b>
<b>Carrying Amount</b>		
<b>Balance at April 1, 2021</b>	16.14	16.14
Addition	10.59	10.59
Disposal	-	-
Depreciation expense	11.85	11.85
<b>Balance at March 31, 2022</b>	<b>14.89</b>	<b>14.89</b>

INR in Thousand

	Office equipments	Total
<b>Cost or Deemed cost</b>		
<b>Balance at April 1, 2020</b>	55.77	55.77
Additions	-	-
Disposal	-	-
<b>Balance at March 31, 2021</b>	<b>55.77</b>	<b>55.77</b>
<b>Accumulated depreciation and impairment</b>		
<b>Balance at April 1, 2020</b>	28.47	28.47
Depreciation expense	11.15	11.15
<b>Balance at March 31, 2021</b>	<b>39.63</b>	<b>39.63</b>
<b>Carrying Amount</b>		
<b>Balance at April 1, 2020</b>	27.29	27.29
Addition	-	-
Disposal	-	-
Depreciation expense	11.15	11.15
<b>Balance at March 31, 2021</b>	<b>16.14</b>	<b>16.14</b>

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 4. Trade receivables

#### 4A. Trade receivables- Current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Trade receivables</b>		
a) Unsecured, considered good	310.72	352.35
<b>Total</b>	<b>310.72</b>	<b>352.35</b>

### 5. Other financial assets

#### 5A. Other financial assets - Non current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Security deposits</b>		
- Unsecured, considered good	17,520.00	17,520.00
<b>Total</b>	<b>17,520.00</b>	<b>17,520.00</b>

#### 5B. Other financial assets - Current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Accruals:</b>		
i) Interest accrued on loans to related parties (Refer note 22)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 6. 6A. 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	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Balances with Banks</b>		
a) In current accounts	1,259.11	515.53
	<b>1,259.11</b>	<b>515.53</b>

### 7. Other assets

#### 8A. Other assets - Current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Advances for supply of goods and services		
- Unsecured, considered good	0.49	0.49
b) Balances with statutory / government authorities	-	17.47
<b>Total</b>	<b>0.49</b>	<b>17.96</b>

## CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

INR in Thousand

### Sundry Debtors Ageing

Particulars	Party Name	Less Than 6 Months	6 Months- 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
i) Undisputed Trade Receivables (Considered Good)	Afcons Infrastructure Ltd	-	-	18.41	-	-	18.41
	Forbes & Co. Ltd.	181.42	-	-	-	-	181.42
	SP&CPL	102.19	-	-	-	-	102.19
	Volkart Fleming Shipping	8.70	-	-	-	-	8.70
	<b>Total</b>	<b>292.31</b>	<b>-</b>	<b>18.41</b>	<b>-</b>	<b>-</b>	<b>310.72</b>
ii) Undisputed Trade Receivables (Considered Doubtful)							NA
iii) Disputed Trade Receivables (Considered good)							NA
iv) Disputed Trade Receivables (Considered Doubtful)							NA

### Sundry Credits Ageing

Particulars	Party Name	Less Than 6 Months	6 Months- 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total	
i) Undisputed Trade Payables (Considered Good)	RAJAN M. AMLE	3.52					3.52	
	BEST CONSUMER NO.859-210-027*6	3.16					3.16	
	R.D.Sethna Scholarship Fund	5.00					5.00	
	FORBES FACILITY SERVICES PRIVATE	157.36					157.36	
	BIJAY JENA	22.33					22.33	
	Vinodchandra R. Shah & Co. -Prov.	16.00					16.00	
	BEST CONSUMER NO.859-210-027*6 - Prov.	3.00					3.00	
	<b>Total</b>	<b>210.36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210.36</b>	
	ii) Undisputed Trade Payables (Considered Doubtful)							NA
	iii) Disputed Trade Payables (Considered good)							NA
iv) Disputed Trade Payables (Considered Doubtful)							NA	

**CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022 - Continued**

**8. Equity Share Capital**

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Authorised Share capital :</b>		
500,000 fully paid equity shares of INR 10 each	5,000.00	5,000.00
<b>Issued and subscribed capital comprises:</b>		
4,87,500 fully paid equity shares of INR 10 each	4,875.00	4,875.00
	4,875.00	4,875.00

**8. 1 Fully paid equity shares**

Particulars	Number of shares	INR in Thousand
		Share capital (Amount)
Balance at April 1, 2020	487.50	4.88
Movements	-	-
Balance at March 31, 2021	487.50	4.88
Movements	-	-
<b>Balance at March 31, 2022</b>	<b>487.50</b>	<b>4.88</b>

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

**8. 2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and**

Particulars	INR in Thousand	
	Fully paid ordinary shares	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Forbes & Company Limited, the holding company	487.50	487.50
<b>Total</b>	<b>487.50</b>	<b>487.50</b>

**8. 3 Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at 31st Mar., 2022		As at 31st Mar., 2021	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<b>Fully paid equity shares</b>				
Forbes & Company Limited	487.50	100.00	487.50	100.00
<b>Total</b>	<b>487.50</b>	<b>100.00</b>	<b>487.50</b>	<b>100.00</b>

**9. Other equity excluding non-controlling interests**

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Securities premium reserve</b>		
Balance at beginning of the year	13,125.00	13,125.00
Movements	-	-
<b>Balance at end of the year</b>	<b>13,125.00</b>	<b>13,125.00</b>
<b>b) Retained earnings ( Note 6)</b>		
Balance at beginning of year	271.74	268.69
Profit attributable to owners of the Company	614.73	3.06
<b>Balance at end of the year</b>	<b>886.47</b>	<b>271.74</b>
<b>Total</b>	<b>14,011.47</b>	<b>13,396.74</b>

**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.



# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 10. Deferred tax balances

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

Particulars	As at	INR in Thousand As at
	31st Mar., 2022	31st Mar., 2021
Deferred tax assets	5.47	16.54
Deferred tax liabilities	-	-
<b>Net</b>	<b>5.47</b>	<b>16.54</b>

#### Current Year ( 2021-2022)

INR in Thousand

Particulars	Opening balance	Recognised in profit or loss	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>			
a) Property, plant and equipment	3.79	1.68	5.47
b) Deduction u/s 35D	-	-	-
<b>Total (A) ...</b>	<b>3.79</b>	<b>1.68</b>	<b>5.47</b>
a) Tax losses	-	-	-
b) Others (MAT Credit)	12.75	(12.75)	-
<b>Total (B) ...</b>	<b>12.75</b>	<b>(12.75)</b>	<b>-</b>
<b>Total (A+B) ...</b>	<b>16.54</b>	<b>(11.08)</b>	<b>5.47</b>

#### Previous Year ( 2020-2021)

INR in Thousand

Particulars	Opening balance	Recognised in profit or loss	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>			
a) Property, plant and equipment	2.30	1.49	3.79
b) Deduction u/s 35D	-	-	-
<b>Total (A) ...</b>	<b>2.30</b>	<b>1.49</b>	<b>3.79</b>
a) Tax losses	-	-	-
b) Others (MAT Credit)	14.30	(1.55)	12.75
<b>Total (B) ...</b>	<b>14.30</b>	<b>(1.55)</b>	<b>12.75</b>
<b>Total (A+B) ...</b>	<b>16.60</b>	<b>(0.05)</b>	<b>16.54</b>

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

## 11. Other non-current liabilities

### 13A Other current liabilities

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Statutory remittances	11.72	2.50
<b>Total</b>	<b>11.72</b>	<b>2.50</b>

## 12. Trade payables

### Trade payables - Current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Trade payables	210.36	213.95
<b>Total</b>	<b>210.36</b>	<b>213.95</b>

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.

## 13. Tax assets and liabilities

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Tax assets</b>		
Tax receivable	14.81	90.00
	<b>14.81</b>	<b>90.00</b>
<b>Tax liabilities</b>		
Income tax payable	21.17	38.09
	<b>21.17</b>	<b>38.09</b>
Current Tax Assets (current portion)	-	-
Current Tax Assets (non-current portion)	14.81	90.00

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 14. Revenue from operations

INR in Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
a) <b>Operating revenues</b>		
i) Rent and amenities	2,425.80	764.40
ii) Others	90.00	90.00
<b>Total</b>	<b>2,515.80</b>	<b>854.40</b>

### 15. Other Income

#### a) Interest Income

INR in Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
i) Inter-corporate deposit	-	25.39
ii) Income Tax refund	2.64	-
<b>Total</b>	<b>2.64</b>	<b>25.39</b>

### 16. Finance costs

INR in Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>Interest costs :-</b>		
i) Interest on loans from related parties (ICD)	1.06	-
ii) Interest expenses on lease liabilities (Refer Note 23)	2.54	7.77
<b>Total</b>	<b>3.60</b>	<b>7.77</b>

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 17. Depreciation and amortisation expense

INR in Thousand

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
i) Depreciation of property, plant and equipment pertaining to continuing operations	11.85	11.15
ii) Depreciation Right-of-use assets (Refer Note 23)	50.98	50.98
<b>Total depreciation and amortisation pertaining to continuing operations</b>	<b>62.83</b>	<b>62.13</b>

### 18. A. Other expenses

INR in Thousand

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Power and fuel	80.45	25.97
b) Rent and hire charges	-	-
c) <b>Repairs to :</b>	-	-
i) Buildings	453.48	3.01
ii) Others	13.00	9.92
	466.48	12.93
d) Rates and taxes (excluding taxes on income)	27.10	7.50
e) Housekeeping, Laundry and Supplies	971.15	696.32
f) Printing & Stationery	0.47	1.19
g) Communication	28.00	17.76
h) Legal and professional charges	28.30	20.80
i) Miscellaneous expenses	1.62	1.74
<b>Sub Total</b>	<b>1,603.57</b>	<b>784.21</b>
<b>a) To Statutory auditors</b>		
i) For audit	16.00	16.00
ii) For other services	-	2.00
iii) For reimbursement of expenses	4.00	4.00
<b>Sub Total</b>	<b>20.00</b>	<b>22.00</b>
<b>Total</b>	<b>1,623.57</b>	<b>806.21</b>

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 19. Income taxes relating to continuing operations

#### 19.1 Income tax recognised in profit or loss

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Current tax</b>		
In respect of the current year	202.64	0.58
In respect of prior years	-	-
	<b>202.64</b>	<b>0.58</b>
<b>Deferred tax</b>		
In respect of the current year	11.08	0.06
In respect of the previous year	-	-
	<b>11.08</b>	<b>0.06</b>
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>213.71</b>	<b>0.63</b>

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

INR in Thousand

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Profit before tax from continuing operations</b>	<b>828.45</b>	<b>3.69</b>
Income tax expense calculated at 26% (Previous Year 26%)	215.40	0.96
Effect of Expenses not deductible	(1.69)	2.02
Effect of Expenses not deductible(dep on lease accounting)	-	13.25
Effect of concession , deductions	0.00	(15.60)
Income tax expense recognised in profit or loss (relating to continuing operations)	<b>213.71</b>	<b>0.63</b>

The tax rate used for the 2021-22 and 2020-2021 reconciliations above is the corporate tax rate of 26% payable by corporate entities in India on taxable profits under the Indian tax law.

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 20. Earnings per share

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>From Continuing operations</b>	<b>INR per share</b>	<i>INR per share</i>
Basic earnings per share	1.26	0.01
Diluted earnings per share	1.26	0.01

#### 20.1 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	As at 31st Mar., 2022	As at 31st Mar., 2021
Profit for the year attributable to owners of the Company (A)	614.73	3.06
Weighted average number of equity shares for the purposes of basic earnings per share (B)	487.50	487.50
<b>Basic Earnings per share (A/B)</b>	<b>1.26</b>	<b>0.01</b>

#### 20.2 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	As at 31st Mar., 2022	As at 31st Mar., 2021
Earnings used in the calculation of basic earnings per share	614.73	3.06
Adjustments (describe)	-	-
<b>Earnings used in the calculation of diluted earnings per share (A)</b>	<b>614.73</b>	<b>3.06</b>
Weighted average number of equity shares used in the calculation of basic earnings per share( In thousands)	487.50	487.50
Adjustments [describe]		
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share (B)(In thousands)</b>	<b>487.50</b>	<b>487.50</b>
<b>Diluted earnings per share (A/B)</b>	<b>1.26</b>	<b>0.01</b>

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 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	INR in Thousand	
	31st Mar., 2022	31st Mar., 2021
<b>Financial assets</b>		
<u>Measured at Amortised Cost</u>		
a) Cash and bank balances	1,259.11	515.53
b) Trade receivables	310.72	352.35
c) Loan	-	-
d) Other financial assets	17,520.00	17,520.00
<b>Financial liabilities</b>		
<u>Measured at Amortised Cost</u>		
a) Trade payables	210.36	213.95

#### 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, 2021 and March 31, 2020 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	INR in Thousand			
	31st Mar., 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	210.36	-	-	-
	<b>210.36</b>	-	-	-

Maturities of Financial Liabilities	INR in Thousand			
	31st Mar., 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	213.95	-	-	-
	<b>213.95</b>	-	-	-

## CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

### ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

#### Disclosure table

Ratios	FY 21-22	FY 20-21	Variation (%)	
Current Ratio (times)	6.46	2.85	360.40%	Inceared in Bank balance
Debt equity ratio (times)	0	0	0.00%	
Debt service coverage ratio (times)	0	0	0.00%	
Return on equity (%)	0.83%	0.00%	0.83%	Guest House income is increased in Current year
Inventory turnover ratio (times)	0	0	0.00%	
Trade receivables turnover ratio (times)	0	0	0.00%	
Trade payable turnover ratio (times)	0	0	0.00%	
Net capital turnover ratio (times)	1.90	1.49	41.03%	Guest House income is increased in Current year
Net profit ratio (%)	24.43%	0.36%	24.08%	Guest House income is increased in Current year
Return on capital employed (%)	4.41%	0.06%	4.34%	Guest House income is increased in Current year
Return on investment (%)	12.61%	0.06%	12.55%	Guest House income is increased in Current year

#### General guidance on computation of ratios:

Ratio	Formula
Current ratio (times)	current assets divided by current liabilities. Both numerator and denominator can be identified from the balance sheet.
Debt-equity ratio (times)	Total debt divided by equity. Both numerator and denominator can be identified from the balance sheet
Debt service coverage ratio (times)	earnings available for debt service divided by debt service. Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest +other adjustments like loss on sale of PP&E etc. Debt service = Interest and principal repayments including lease payments.
Return on equity (%)	Net profit after tax reduced by preference dividend (if any) divided by average shareholders equity.
Inventory turnover ratio (times)	COGS divided by average inventory. Alternative computation, if information not available = sales divided by closing inventory.
Trade receivables turnover ratio (times)	Credit sales divided by average trade receivable. Alternative computation, if information not available = total sales divided by closing trade receivable.
Trade payable turnover ratio (times)	Credit purchases divided by average trade payable. Alternative computation, if information not available = total purchases divided by closing trade payable.
Net capital turnover ratio (times)	Sales divided by working capital. working capital =current assets minus current liabilities.
Net profit ratio (%)	Net profit after tax divided by sales.
Return on capital employed (%)	Earnings before interest and tax divided by capital employed. capital employed =tangible net worth + total debt + deferred tax liability.
Return on investment (%)	Could be based on time weighted rate of return (TWRR) method



# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

## 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 Eureka Forbes Ltd.
- 3 Forbes Campbell Services Limited
- 4 Forbes Campbell Finance Limited
- 5 Forbes Facility Services Pvt. Ltd.
- 6 Volkart Fleming Shipping & Services Limited
- 7 Shapoorji Pallonji Oil And Gas Pvt. Ltd.
- 8 Afcons Infrastructure Ltd.

### (C) Joint Ventures (where there are transactions)

- 1 Shapoorji Pallonji Bumi Armada Offshore Pvt.Ltd.
- 2 SP Armada Oil Exploration Private Limited
- 3 Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd.
- 4 Floreat Investments Private Limited

**CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022 - Continued**

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

INR in Thousand

(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	B	B	B	C	C	C	C		A + B + C
			Shapoorji Pallonji & Company Pvt. Ltd.	Forbes & Company Limited	Total	Eureka Forbes Ltd.	Afcons Infrastructure Ltd.	Eureka Forbes Limited	Shapoorji Pallonji Oil And Gas Pvt. Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.	Volkart Fleming Shipping & Services Ltd.	Forbes Campbell Services Limited	Forbes Campbell Services Limited	Forbes Campbell Services Ltd.	Forbes Facility Services Pvt. Ltd.	Total	Shapoorji Pallonji Bumi Armada Offshore Pvt. Ltd.	SP Armada Oil Exploration Private Limited	Shapoorji Pallonji Armada Oil & Gas Ser.Pvt. Ltd.		Floreat Investments Private Ltd.
<b>Nature of Transaction Income:</b>																					
1 Rent and Other Service Charges	1,673.30	491.90	<b>2,165.20</b>	-	-	-	302.00	-	90.00	-	-	-	-	<b>392.00</b>	-	-	(93.40)	52.00	<b>(41.40)</b>	<b>2,515.80</b>	
2 Interest Received	68.60	157.40	226.00	-	-	-	100.40	-	90.00	-	-	-	-	190.40	-	306.80	93.40	-	400.20	816.60	
	-	-	-	-	-	-	-	25.39	-	-	-	-	-	25.39	-	-	-	-	-	25.39	
<b>Purchase of Assets</b>																					
3 Purchase Aquagaurd for Guest Ho	-	-	-	-	-	10.59	-	-	-	-	-	-	-	<b>10.59</b>	-	-	-	-	-	<b>10.59</b>	
<b>Expenses:</b>																					
4 Housekeeping charges	-	-	-	-	-	-	-	-	-	-	-	-	957.64	<b>957.64</b>	-	-	-	-	-	<b>957.64</b>	
5 Interest on Inter Corporate Deposi	-	-	-	-	-	-	-	-	-	-	-	1.06	681.74	<b>1.06</b>	-	-	-	-	-	<b>681.74</b>	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>1.06</b>	
<b>Other Reimbursements:</b>																					
6	-	35.06	<b>35.06</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>35.06</b>	
	-	-	-	-	-	-	-	-	24.02	-	-	-	-	24.02	-	-	-	-	-	24.02	
<b>Finance</b>																					
7 Deposit Taken	-	-	-	-	-	-	-	-	-	-	-	-	500.00	<b>500.00</b>	-	-	-	-	-	<b>500.00</b>	
8 Repayment of Deposit Taken	-	-	-	-	-	-	-	-	-	-	-	-	500.00	<b>500.00</b>	-	-	-	-	-	<b>500.00</b>	
	-	-	-	-	-	-	-	250.00	-	-	-	-	-	250.00	-	-	-	-	-	250.00	
<b>Outstandings</b>																					
9 Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-	157.36	<b>157.36</b>	-	-	-	-	-	<b>157.36</b>	
	-	-	-	-	-	-	-	-	-	-	-	-	143.60	<b>143.60</b>	-	-	-	-	-	<b>143.60</b>	
10 Trade Receivables	102.19	181.42	<b>283.61</b>	-	18.41	-	-	-	8.70	-	-	-	-	<b>27.11</b>	-	-	-	-	-	<b>310.72</b>	
	105.26	-	105.26	-	18.41	-	118.47	-	-	-	-	-	-	136.88	-	-	110.21	-	110.21	352.35	
11 Interest Accrued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
12 Loan (ICD) Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

Figures in italics are in respect of the previous year.

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

### 23. Lessee accounting

The Company has adopted IND AS 116 " Lease " effective April,1 2019 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. On adoption of Ind AS 116, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1st April, 2019 was 10%.

The Company has elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition.

#### (i) Practical Expedients applied on initial application date

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- the Company has utilized the exemptions provided for short-term leases (less than a year) and leases for low value assets.
- Initial direct costs are excluded from the measurement of right-of-use assets at the date of initial application.
- the Company has used a single discount rate to a portfolio of leases with reasonably similar characteristics.
- the Company has applied practical expedients on not to separate non-lease component from leases on initial application and instead accounts for these as a single lease component.
- the Company has relied on its previous assessment on whether leases are onerous as an alternative to performing an impairment review.

The Company has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contract entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a lease.

#### (ii) Adjustments recognized in the Balance Sheet on 1st April, 2019:

The change in accounting policy affected the following items in the Balance Sheet on 1st April, 2019.

- Right-of-use assets - increased by ₹ 1,57,176
- Lease liabilities - increased by ₹ 1,57,176

#### (iii) Reconciliation of lease commitment to lease liability

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31st March, 2022 compared to the lease liability as accounted as at 1st April, 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

#### iv) Amounts recognized in Balance Sheet

INR in Thousand

The balance sheet shows the following amounts relating to leases:

Particulars	31st Mar., 2022	31st Mar., 2021
<b>Right-of-use assets</b>		
Building	4.25	55.22
<b>Total</b>	<b>4.25</b>	<b>55.22</b>
		₹
Particulars	31st Mar., 2022	31st Mar., 2021
<b>Lease liabilities</b>		
Non-current	-	1.35
Current	-	56.11
<b>Total</b>	<b>-</b>	<b>57.46</b>

Additions to right-of-use asset during the current financial year were INR NIL

## CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

v) Amounts recognized in Statement of Profit and Loss.

INR in Thousand

The Statement of Profit and Loss shows the following amounts relating to leases:

Particulars	31st Mar., 2022	31st Mar., 2021
<b>Depreciation charge of right-of-use assets</b>		
Building	50.98	50.98
<b>Total</b>	<b>50.98</b>	<b>50.98</b>
Interest expense on lease liability (included in finance cost)	2.54	7.77
Expense relating to short term leases (Included in Other Expenses)	-	-
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses)	-	-
<b>Total</b>	<b>53.52</b>	<b>58.74</b>

The total cash outflow for leases in year ended 31st March, 2022 was INR 60,000.

(vi) Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that creates an economic incentive to exercise an extension option, or not to exercise a termination option. Extension option (or period after termination option) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For the leases of offices premises, the following factors are normally the most relevant:

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).
2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)
3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise) it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise) it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee.

# CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIMITED

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

**24** No amount is due to Small Scale Industries (SSI) as at 31st March, 2022, as defined under Micro, Small & Medium Enterprises Development Act, 2006.

**25** The COVID-19 pandemic has generally disrupted business operations due to global lockdown and other emergency measures imposed by the various governments. However, the operations of the Company being in the service sector were not impacted in the current scenario.

The Company has evaluated the impact of this pandemic on its business operations, liquidity and the recoverability and carrying values of its assets including trade receivables and loans as at the Balance Sheet date and based on the management's review of current indicators and economic conditions there is no material impact on the profit for the year ended 31st March, 2022.

**26** 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  
FRN- 115394W

**Uday V. Shah**  
Partner  
Membership No.: 035626  
Mumbai, 19th May, 2022

NIRMAL JAGAWAT _____	<i>Chairperson</i>
RAVINDER PREM _____	} <i>Directors</i>
PANKAJ KHATTAR _____	

Mumbai, 19th May, 2022

**EFL MAURITIUS LIMITED**  
**(a wholly owned subsidiary)**

**Financial Statements**  
**For the Year ended March 31, 2022**

The Chief Executive  
Financial Services Commission  
54 Cybercity  
Ebene

**EFL Mauritius Limited**

**CERTIFICATE OF THE AUDITORS IN ACCORDANCE WITH CONDITION 9(b)  
OF THE GLOBAL BUSINESS LICENCE ISSUED BY THE FINANCIAL SERVICES  
COMMISSION**

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This certificate is made solely for the purpose of satisfying condition 9(b) of the Global Business Licence issued by the Financial Services Commission to **EFL Mauritius Limited** (the "Company"). Condition 9 stipulates that whenever the Company is promoted by Indian Residents/Indian Corporation, the Company:

- (a) shall not reinvest into India funds derived from sources within India, failing which this licence may be revoked under provisions of Section 74(5) of the Financial Services Act 2007;
- (b) shall, every year together with the accounts submitted under Section 30(1) of the Financial Services Act 2007 submit to the Financial Services Commission a certificate from its auditor to the effect that the Company has fully complied with paragraph 9(a) above.

We have examined the books and records of the Company as prepared and submitted to us by the Directors for the year ended 31 March 2022.

Based on our examination thereof, nothing has come to our attention that causes us to believe that the Company did not comply, in all material respects, with Condition 9(a) in the year ended 31 March 2022.

Our certificate is solely for the purpose set forth in the first paragraph of this certificate, and should not be distributed to or used by other parties.



**Nexia Baker & Arenson**  
**Chartered Accountants**

**04 AUG 2022**

**Date:.....**

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**EFL Mauritius Limited**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2022**



**EFL Mauritius Limited**

**CORPORATE DATA**

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**Date of  
appointment**

<b>DIRECTORS</b>	: Navun Dussoruth Subiraj Gujadhur Sunil Dhondiram Uphale Urs Meier	02 December 2010 08 November 2012 26 August 2016 07 October 2019
<b>ADMINISTRATOR &amp; CORPORATE SECRETARY</b>	: Apex Fund Services (Mauritius) Ltd 4 <sup>th</sup> Floor, 19 Bank Street Cybercity, Ebène 72201 Republic of Mauritius	
<b>REGISTERED OFFICE</b>	: 4 <sup>th</sup> Floor, 19 Bank Street Cybercity, Ebène 72201 Republic of Mauritius	
<b>AUDITORS</b>	: Nexia Baker & Arenson Chartered Accountants 5 <sup>th</sup> Floor, C&R Court 49, Labourdonnais Street Port Louis Republic of Mauritius	
<b>BANKER</b>	: HSBC Bank (Mauritius) Limited 6 <sup>th</sup> Floor, HSBC Centre 18, Cybercity Ebène Republic of Mauritius	

**EFL Mauritius Limited****COMMENTARY OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2022**

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The directors present their commentary together with the audited financial statements of **EFL Mauritius Limited** (the “Company”) for the year ended 31 March 2022.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is to act as an investment holding company.

**RESULTS AND DIVIDEND**

The results for the year are shown in the statement of profit or loss and other comprehensive income and related notes. No dividend was declared during the year under review (2021: Nil).

**DIRECTORS**

The membership of the Board is set out on page 2. All directors served office throughout the year.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards (“IFRS”) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001 and International Financial Reporting Standards. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

The auditors, **Nexia Baker & Arenson**, have indicated their willingness to continue in office until the next Annual Meeting.

**EFL Mauritius Limited**

**CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

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We certify to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of **EFL Mauritius Limited** under Section 166 (d) of the Mauritius Companies Act 2001, during the financial year ended 31 March 2022.



**For Apex Fund Services (Mauritius) Ltd  
Corporate Secretary**

**Registered Office:**

4<sup>th</sup> Floor,  
19 Bank Street Cybercity,  
Ebène 72201 Republic of Mauritius

**Date:** ..... 04 August 2022 .....

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS 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 30 which comprise the statement of financial position as at 31 March 2022, 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 2022, 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' Code of Ethics for Professional Accountants ("IESBA Code"), 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.

##### *Material Uncertainty Relating to Going Concern*

We draw attention to note 12 of the financial statements concerning the Company's ability to continue as a going concern. The Company incurred a loss of EUR 14,909 during the year ended 31 March 2022 and, as at that date the Company's total liabilities exceeded its total assets by EUR 296,043. The shareholder of the Company has undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis. Our opinion is not modified in respect of this matter.

##### *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.

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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE MEMBERS OF EFL Mauritius Limited**  
**Report on the Financial Statements (continued)**

***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 intend 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 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 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.

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## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EFL Mauritius Limited

#### Report on the Financial Statements (continued)

#### *Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- 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 members, as a body, 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 members, those matters that we are required to state to them in an auditor's 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 members, as a body, 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  
Chartered Accountants

  
Ouma Shankar Ochit ECCA  
Licensed by FRC

Date: ..... 4 AUG 2022

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EFL Mauritius Limited

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	<u>Notes</u>	<u>2022</u>	<u>2022</u>	<u>2021</u>	<u>2021</u>
		<u>EUR</u>	<u>INR Lakhs</u>	<u>EUR</u>	<u>INR Lakhs</u>
<b>ASSETS</b>					
<b>Non-current asset</b>					
Financial asset at fair value through other comprehensive income	4	2	-	2	-
<b>Current assets</b>					
Prepayments	5	3,816	3.21	3,636	3.12
Cash and cash equivalents		1,37,893	115.85	1,50,453	129.20
		<b>1,41,709</b>	<b>119.06</b>	1,54,089	132.32
<b>Total assets</b>		<b>1,41,711</b>	<b>119.06</b>	1,54,091	132.32
<b>EQUITY AND LIABILITY</b>					
<b>Capital and reserves</b>					
Stated capital	6	2,87,20,231	21,234.26	2,87,20,231	21,234.26
Fair value reserve		(3,11,71,954)	(25,168.46)	(3,11,71,954)	(25,168.46)
Retained earnings		21,55,680	1,704.95	21,70,589	1,717.85
Foreign Currency Translation Reserve			1,980.53		1,974.91
		<b>(2,96,043)</b>	<b>(248.72)</b>	(2,81,134)	(241.44)
<b>Current liability</b>					
Other payable and accruals		4,37,754	367.78	4,35,225	373.76
<b>Total equity and liability</b>	7	<b>1,41,711</b>	<b>119.06</b>	1,54,091	132.32

These financial statements have been approved by the Board of Directors signed on its behalf by:

.....  
Subiraj Gujadhur  
Director

.....  
Navun Dussoruth  
Director

The notes on pages 12 to 30 form an integral part of these financial statements.

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022	2022	2021	2021
		EUR	INR Lakhs	EUR	INR Lakhs
<b>Expenses</b>					
Audit fees		3,457	2.99	2,657	2.30
Other expenses		1,947	1.68	975	0.84
Accounting fees		2,149	1.86	1,924	1.66
Directors' fees		1,878	1.63	1,896	1.64
FSC fees		1,841	1.59	1,823	1.58
Bank charges		1,361	1.18	1,269	1.10
TRC fees		1,114	0.96	1,006	0.87
Registered office and secretarial fees		876	0.76	1,020	0.88
ROC fees		286	0.25	304	0.26
Taxation fees		-	-	902	0.78
		<b>14,909</b>	<b>12.90</b>	<b>13,776</b>	<b>11.91</b>
Loss before taxation		<b>(14,909)</b>	<b>(12.90)</b>	<b>(13,776)</b>	<b>(11.91)</b>
Taxation	8	-	-	-	-
<b>Loss for the year</b>		<b>(14,909)</b>	<b>(12.90)</b>	<b>(13,776)</b>	<b>(11.91)</b>
<b>Other comprehensive income</b>					
Items that may not be subsequently reclassified to profit or loss:					
Change in fair value of financial asset at fair value through other comprehensive income	4	-	-	(33,86,136)	(3,598.13)
<b>Total comprehensive loss for the year</b>		<b>(14,909)</b>	<b>(12.90)</b>	<b>(33,99,912)</b>	<b>(3,610.04)</b>

The notes on pages 12 to 30 form an integral part of these financial statements.



**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Stated capital</b>	<b>Stated capital</b>	<b>Fair value reserve</b>	<b>Fair value reserve</b>	<b>Retained earnings</b>	<b>Retained earnings</b>	<b>Total</b>	<b>Total</b>
	<b>EUR</b>	<b>INR Lakhs</b>	<b>EUR</b>	<b>INR Lakhs</b>	<b>EUR</b>	<b>INR Lakhs</b>	<b>EUR</b>	<b>INR Lakhs</b>
At 01 April 2020	2,87,20,231	21,234.26	(2,77,85,818)	(21,570.33)	21,84,365	1,729.76	31,18,778.0	1,393.69
Loss for the year	-	-	-	-	(13,776)	(11.91)	(13,776.0)	(11.91)
Other comprehensive loss for the year	-	-	(33,86,136)	(3,598.13)	-	-	(33,86,136.0)	(3,598.13)
At 31 March 2021	<b>2,87,20,231</b>	<b>21,234.26</b>	<b>(3,11,71,954)</b>	<b>(25,168.46)</b>	<b>21,70,589</b>	<b>1,717.85</b>	<b>(2,81,134)</b>	<b>(2,216.35)</b>
Total comprehensive loss for the year	-	-	-	-	(14,909)	(12.90)	(14,909)	(12.90)
<b>At 31 March 2022</b>	<b>2,87,20,231</b>	<b>21,234.26</b>	<b>(3,11,71,954)</b>	<b>(25,168.46)</b>	<b>21,55,680</b>	<b>1,704.95</b>	<b>(2,96,043)</b>	<b>(2,229.25)</b>

The notes on pages 12 to 30 form an integral part of these financial statements.

**EFL Mauritius Limited**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>EUR</b>	<b>INR Lakhs</b>	<b>EUR</b>	<b>INR Lakhs</b>
<b>Cash flows from operating activities</b>				
Loss before taxation	(14,909)	(12.90)	(13,776)	(11.91)
<b>Operating loss before working capital changes</b>	<b>(14,909)</b>	<b>(12.90)</b>	<b>(13,776)</b>	<b>(11.91)</b>
Increase in prepayments	(180)	(0.16)	(126)	(0.23)
Increase/(decrease) in other payable and accruals	2,529	2.19	(1,553)	14.67
<b>Net cash used in operating activities</b>	<b>(12,560)</b>	<b>(10.87)</b>	<b>(15,455)</b>	<b>2.53</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(12,560)</b>	<b>(10.87)</b>	<b>(15,455)</b>	<b>2.53</b>
<b>Effects of foreign exchange</b>				
Foreign Currency Translation Reserve	-	(2.49)	-	(9.39)
Cash and cash equivalents at beginning of the year	1,50,453	129.20	1,65,908	136.06
<b>Cash and cash equivalents at end of the year</b>	<b>1,37,893</b>	<b>115.85</b>	<b>1,50,453</b>	<b>129.20</b>

The notes on pages 12 to 30 form an integral part of these financial statements.

## **EFL Mauritius Limited**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**

#### **1. General information**

EFL Mauritius Limited (the "Company") was incorporated in Mauritius under the Mauritius Companies Act 2001 on 02 December 2010 as a private company with liability limited by shares and has its registered office at 4th Floor, 19 Bank Street, Cybercity, Ebene 72201, Republic of Mauritius. It holds a 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 2022, 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 ("IFRSs") and under the historical cost convention except for financial instruments which are stated at fair value or carried at amortised cost.

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 financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of its shareholder. The directors are of the opinion that this support will be forthcoming over the next twelve months on the basis of a letter of support received from its holding company confirming that they will provide financial support to the Company.

The directors therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

(b) Standards, Amendments to published Standards and Interpretations effective in the reporting period

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 01 April 2021.

Interest Rate Benchmark Reform - Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company.

Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16. On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 01 April 2021.

These amendments had no impact on the financial statements of the Company.

(c) 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 on or after 1 April 2022 or later periods, but which the Company has not early adopted. Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018-2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Reference to the Conceptual Framework (Amendments to IFRS 3)

Disclosure of Accounting policies - Amendments to IAS 1 and IFRS Practice Statement 2

Definition of Accounting Estimates and disclosure of accounting policies - Amendments to IAS 8

Deferred tax related to assets and liabilities arising from a single transaction - Amendment to IAS 12

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.

**NOTES TO THE FINANCIAL STATEMENTS  
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(d) 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.

(e) 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 investments 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.

(f) 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.

(g) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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(h) Stated capital

Ordinary shares and preference shares are classified as equity.

(i) 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.

(j) 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 at fair value and 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 contain a significant financing component or for which the Company has applied the practical expedient, the Company initially 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.

• 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 asset 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 and the Company has transferred substantially all the risks and rewards of ownership.

• Impairment

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 significant 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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• Initial recognition and measurement (continued)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction 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.

(k) 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.

(l) Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank. 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.

(m) 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.

(n) Expense recognition

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

(o) 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.

(p) 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

(q) 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 judgement that has 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 (d), the directors have considered those factors described therein and have determined that the functional currency of the Company is the EUR.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**4 Financial asset at fair value through other comprehensive income**

	2022	2022	2021	2021
	EUR	INR Lakhs	EUR	INR Lakhs
<u>At fair value</u>				
At beginning of the year	2	-	33,86,138	3,769.88
Change in fair value	-	-	(33,86,136)	(3,769.88)
At end of the year	2	-	2	-

Financial asset at fair value through other comprehensive income as at 31 March 2022 includes the following:

Name of investee company	Country of incorporation	Type of shares (Unquoted)	Number shares	% held	Cost	Fair value	Cost	Fair value
					EUR	EUR	INR Lakhs	INR Lakhs
Forbes Lux International AG	Switzerland	Ordinary shares	3,300	8.97%	28,14,191	1	2,364.32	0.00
Forbes Lux International AG	Switzerland	Participation shares*	34,200	100%	2,83,57,765	1	23,824.55	0.00
					<u>3,11,71,956</u>	<u>2</u>	<u>26,188.87</u>	<u>0.00</u>

\*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 markets 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 not based on observable market data - Level 3.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**4 Financial asset at fair value through other comprehensive income (continued)**

*Fair valuation estimation (continued)*

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:

	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>2022</b>				
Financial asset at fair value through other comprehensive income	-	-	2	2
	<b>Level 1 INR Lakhs</b>	<b>Level 2 INR Lakhs</b>	<b>Level 3 INR Lakhs</b>	<b>Total INR Lakhs</b>
Financial asset at fair value through other comprehensive income	-	-	-	-
	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>2021</b>				
Financial asset at fair value through other comprehensive income	-	-	2	2
	<b>Level 1 INR Lakhs</b>	<b>Level 2 INR Lakhs</b>	<b>Level 3 INR Lakhs</b>	<b>Total INR Lakhs</b>
Financial asset at fair value through other comprehensive income	-	-	-	-

**5 Prepayments**

	<b>2022</b>		<b>2021</b>	
	<b>EUR</b>	<b>INR Lakhs</b>	<b>EUR</b>	<b>INR Lakhs</b>
Directors' fees	1,533	1.29	1,368	1.17
TRC fees	886	0.74	799	0.69
Registered office and secretarial fees	715	0.60	638	0.55
FSC fees	276	0.23	459	0.39
ROC fees	225	0.19	211	0.18
MLRO fees	181	0.15	161	0.14
	<b>3,816</b>	<b>3.21</b>	<b>3,636</b>	<b>3.12</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**6. Stated capital**

	Number of shares	Amount	Amount	Number of shares	Amount	Amount
	2022	2022	2022	2021	2021	2021
		EUR	INR Lakhs		EUR	INR Lakhs
<i>Issued and fully paid up:</i>						
<u>Ordinary shares of EUR 1 each</u>						
At beginning and end of the year	15,001	15,001	9.46	15,001	15,001	9.46
<u>Preference shares of EUR 1 each</u>						
At beginning and end of the year	<b>2,87,05,230</b>	<b>2,87,05,230</b>	<b>21,224.80</b>	2,87,05,230	2,87,05,230	21,224.80
Total	<b>2,87,20,231</b>	<b>2,87,20,231</b>	<b>21,234.26</b>	2,87,20,231	2,87,20,231	21,234.26

The Preference Shares shall have the following rights:

- (a) The right to receive notice of and to vote at any meeting of the Shareholder, with each Preference Share having one vote;
- (b) The Preference Shares shall be redeemable at the option of the shareholder at anytime 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 payable and accruals**

	2022	2022	2021	2021
	EUR	INR Lakhs	EUR	INR Lakhs
Payable to related party (see note 9)	<b>4,32,374</b>	<b>363.26</b>	4,32,374	371.31
Accruals	<b>5,380</b>	<b>4.52</b>	2,851	2.45
	<b>4,37,754</b>	<b>367.78</b>	4,35,225	373.76

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**8. Taxation**

(a) Income tax

Under the current laws and regulations, the Company is subject to tax in Mauritius on its chargeable income at a fixed rate of 15%. The Company is however eligible for 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 reasonable level of expenditure 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 a 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

	<b>2022</b>	<b>2022</b>	2021	2021
	<b>EUR</b>	<b>INR Lakhs</b>	EUR	INR Lakhs
Loss before taxation	<b>(14,909)</b>	(12.90)	(13,776)	(11.91)
Tax calculated at 15% (2020: 15%)	<b>(1,867)</b>	(1.62)	(2,066)	(1.79)
Deferred tax asset not recognised	<b>1,867</b>	1.62	2,066	1.79
<b>Tax charged</b>	<b>-</b>	-	-	-

At 31 March 2022, the Company had accumulated tax losses amounting to EUR 66,104 (2021: EUR 75,013) and is therefore not liable to income tax. During the year, tax loss amounting to EUR 23,817 has been lapsed. The accumulated tax losses are available for net off against taxable income arising in the forthcoming five years only.

(c) Deferred tax

A deferred tax asset of EUR 1,867 (2021: EUR 2,066) has not been recognised during the year in respect of the tax loss carried forward as the directors consider that it is not probable that future taxable profit will be available against which the unused tax loss can be utilised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**9. Related party transaction**

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 party	Nature of relationship	Nature of transaction	Volume of transaction	2022	2022	2021	2021
				EUR	INR Lakhs	EUR	INR Lakhs
Forbes & Company	Shareholder	Amount payable	-	4,32,374	363.26	4,32,374	371.31

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 instruments:

- 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 responsibility 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") and conducts transactions in United States Dollars ("USD"). Consequently, the Company is exposed to the risk that the exchange rate of the EUR relative to the CHF and USD may change in a manner which has a material effect on the reported values of the Company's assets and liabilities which are denominated in CHF and USD.

Currency profile

	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	EUR	EUR	EUR	EUR
Swiss Franc ("CHF")	2	-	2	-
United States Dollar ("USD")	-	205	-	2,851
Euro ("EUR")	1,37,893	4,37,549	1,50,453	4,32,374
	1,37,895	4,37,754	1,50,455	4,35,225

Currency profile

	2022		2021	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	INR Lakhs	INR Lakhs	INR Lakhs	INR Lakhs
Swiss Franc ("CHF")	-	-	-	-
United States Dollar ("USD")	-	0.17	-	2.45
Euro ("EUR")	115.85	367.60	129.20	371.31
	115.85	367.78	129.20	373.76

Prepayments amounting to EUR 3,816 (2021: EUR 3,636) have not been included in the financial assets.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

Sensitivity analysis

The Company is exposed to the CHF and US\$.

The following table details the Company's sensitivity to a 10% increase and decrease in the EUR against the relevant foreign currencies. 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 currencies. For a 10% weakening of the EUR against the relevant currencies, there would be an equal and opposite impact on the profit, and the balances below would be negative.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**10 Financial instruments and associated risks (continued)**

	Impact on loss			
	2022	2022	2021	2021
	EUR	INR Lakhs	EUR	INR Lakhs
CHF	1	0.00	1	0.00
USD	(21)	(0.02)	(285)	(0.25)

**Interest rate risk**

The majority of the Company's financial assets and liabilities are non-interest bearing and as a result the Company is not subject to significant amounts of risk due to fluctuations in 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 investments. The investments 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 investments 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.

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

	2022	2022	2021	2021
	EUR	INR Lakhs	EUR	INR Lakhs
<b>Counter parties</b>				
Financial asset at fair value through other comprehensive income	2	-	2	-
Cash and cash equivalents	1,37,893	115.85	1,50,453	129.20
	<b>1,37,895</b>	<b>115.85</b>	<b>1,50,455</b>	<b>129.20</b>

**Cash and cash equivalents**

The bank balance has been assessed to have low credit risk as at 31 March 2022 as it is held with a reputable banking institution.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

(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:

	<b>3 months to 1</b>		
	<b>On demand</b>	<b>year</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b><u>2022</u></b>			
Other payable and accruals	<b>4,32,374</b>	<b>5,380</b>	<b>4,37,754</b>
<b><u>2021</u></b>			
Other payable and accruals	4,32,374	2,851	4,35,225
	<b>3 months to 1</b>		
	<b>On demand</b>	<b>year</b>	<b>Total</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>	<b>INR Lakhs</b>
<b><u>2022</u></b>			
Other payable and accruals	<b>363.26</b>	<b>4.52</b>	<b>367.78</b>
<b><u>2021</u></b>			
Other payable and accruals	371.31	2.45	373.76



**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Financial instruments and associated risks (continued)**

(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) Flair values

The carrying amounts of financial assets at fair value through other comprehensive income, 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 financial 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 asset 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 a reasonable approximation of fair value.

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

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>2022</b>				
Cash and cash equivalents	-	1,37,893	-	1,37,893
Total asset	-	<b>1,37,893</b>	-	<b>1,37,893</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>INR Lakhs</b>	<b>INR Lakhs</b>	<b>INR Lakhs</b>	<b>INR Lakhs</b>
<b>2022</b>				
Cash and cash equivalents	-	115.85	-	115.85
Total asset	-	<b>115.85</b>	-	<b>115.85</b>

**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Financial instruments and associated risks (continued)**

(g) Fair values (continued)

Accounting classifications and fair values- fair value hierarchy (continued)

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>2022</b>				
Payable to related party	-	-	4,32,374	4,32,374
Accruals	-	-	5,380	5,380
Total liabilities	-	-	4,37,754	4,37,754
<b>2021</b>				
Cash and cash equivalents	-	1,50,453	-	1,50,453
Total asset	-	1,50,453	-	1,50,453
Payable to related party	-	-	4,32,374	4,32,374
Accruals	-	-	2,851	2,851
Total liabilities	-	-	4,35,225	4,35,225
<b>2022</b>				
	<b>INR Lakhs</b>	<b>INR Lakhs</b>	<b>INR Lakhs</b>	<b>INR Lakhs</b>
Payable to related party	-	-	363.26	363.26
Accruals	-	-	4.52	4.52
Total liabilities	-	-	367.78	367.78
<b>2021</b>				
Cash and cash equivalents	-	129.20	-	129.20
Total asset	-	129.20	-	129.20
Payable to related party	-	-	371.31	371.31
Accruals	-	-	2.45	2.45
Total liabilities	-	-	373.76	373.76

The Company recognises transfers between levels of fair value hierarchy as of the reporting period during which the transfer has occurred. There has been no transfer between the levels in 2022 (2021: no transfer in either direction).

**11. Impact of COVID-19**

On 11 March 2020 the World Health Organisation declared the COVID-19 outbreak to be a pandemic. This event is a significant event considering the spread of virus all over the world and the situation of lock-down in Mauritius during the month of March 2020 and period subsequent to that. Due to this significant event there could be low to severe direct and indirect effects developing with companies across multiple industries and the world. The Company will continue to monitor the impact COVID-19 has on them and reflect the consequences as appropriate in its accounting and reporting.

As at the date of approval of these annual financial statements, the COVID-19 crisis is still unfolding, and there will be some uncertainty remaining around the accurate assessment of the full impact of COVID-19 crisis or any prediction regarding the future course of events that would arise due to the COVID-19 crisis. The directors have made an assessment of the Company's ability to continue as a going concern taking into account all available information about the future including the analysis of the possible impacts in relation to COVID-19, which is at least, but is not limited to, twelve months from the date of approval of these annual financial statements and confirm that they have not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**12 Going Concern**

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The Company incurred a loss of EUR 14,909 (2021: EUR 13,776) during the year ended 31 March 2022 and, as at that date the Company's total liabilities exceeded its total assets by EUR 296,043 (2021: EUR 281,134). The validity of this assumption depends on the continued support of the shareholder.

The directors are of the opinion that this support will be forthcoming over the next twelve months and believe that it is appropriate for the financial statements to be prepared on a going concern basis.

**13 Events after reporting period**

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Company are unclear at this stage.

There have been no other material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 March 2022.

**14 Contingent Liabilities**

At 31 March 2022, there was no contingent liability arising in the ordinary course of business.

**15 Holding company**

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

**FORBES BUMI ARMADA LIMITED**  
**(Subsidiary Company of Forbes Campbell Finance Limited)**

**Financial Statements**  
**For the year ended March 31, 2022**

# Price Waterhouse Chartered Accountants LLP

## 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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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, 2022, and total comprehensive income (comprising of profit/ loss 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.



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Registered office and Head Office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi - 110 002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

# Price Waterhouse Chartered Accountants LLP

**Independent Auditor's Report  
To the Members of Forbes Bumi Armada Limited  
Report on the Audit of the Financial Statements  
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## **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.



# Price Waterhouse Chartered Accountants LLP

**Independent Auditor's Report  
To the Members of Forbes Bumi Armada Limited  
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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.

## Report on other legal and regulatory requirements

10. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
11. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the 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 Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 30 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 during the year ended March 31, 2022.
    - iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(vii) to the financial statements);



# Price Waterhouse Chartered Accountants LLP

**Independent Auditor's Report  
To the Members of Forbes Bumi Armada Limited  
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(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32(vii) to the financial statements); and

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

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

12. There is no managerial remuneration as per provisions of section 197 read with Schedule V to the Act. Accordingly, reporting under Section 197(16) of the Act is not applicable to the Company.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number:012754N/N500016



**Priyanshu Gundana**

Partner

Membership Number 109553

UDIN: 22109553AJHXWG7893

Place: Mumbai

Date: May 20, 2022



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Forbes Bumi Armada Limited on the financial statements for the year ended March 31, 2022

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### 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, 2022 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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

#### Meaning of Internal Financial Controls with reference to financial statements

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



# Price Waterhouse Chartered Accountants LLP

## Annexure A to Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditor's Report of even date to the members of Forbes Bumi Armada Limited on the financial statements for the year ended March 31, 2022

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### 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

### For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016



**Priyanshu Gundana**

Partner

Membership Number: 109553

UDIN: 22109553AJHXWG7893

Place: Mumbai

Date: May 20, 2022

# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2022

Page 1 of 4

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible assets.
- (b) The Property, Plant and Equipment 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) According to the information and explanations given to us and the records of the Company examined by us, the Company does not own any immovable properties (Refer Notes 3 and 29(i) to the financial statements). Therefore, the provisions of clause 3(i)(c) of the Order are not applicable to the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The Company is in the business of rendering services and, consequently, does not hold any inventory. Therefore, the provisions of clause 3(ii)(a) of the Order are not applicable to the Company.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the 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 Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2022

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- 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 regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, income tax, sales tax, service tax, cess, and other material statutory dues, as applicable, with the appropriate authorities.
- Also, refer note 31 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, there are no statutory dues referred to in sub-clause (a) which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2022  
Page 3 of 4

- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 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 reporting under clause 3(xiii) of the Order is not applicable to the Company.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.



# Price Waterhouse Chartered Accountants LLP

## Annexure B to Independent Auditors' Report

Referred to in paragraph 10 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, 2022

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- (d) Based on the information and explanations provided by the management of the Company, the Group has five CICs as part of the Group as detailed in note 29(iv) to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause xviii is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 29 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

## For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

  
**Priyanshu Gundana**

Partner

Membership Number: 109553

UDIN: 22109553AJHXWG7893

Place: Mumbai

Date: May 20, 2022

**Forbes Bumi Armada Limited**  
**Balance Sheet as at March 31, 2022**  
*(All amounts in Rs. hundreds, unless otherwise stated)*

	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	-	-
Right of use of Assets	4 (a)	42,325.44	96,085.12
Intangible assets	5	-	142.57
Financial assets			
Other financial assets	6(d)	40,664.05	46,498.53
Deferred tax assets (net)	7	13,303.63	5,401.36
Income tax assets (net)	8	94,653.08	43,776.30
Other non-current assets	9	37,294.14	39,689.13
<b>Total non-current assets</b>		<b>2,28,240.34</b>	<b>2,31,593.01</b>
<b>Current assets</b>			
Financial assets			
i. Investments	6(a)	10,80,514.08	5,52,908.39
ii. Trade receivables	6(b)	15,95,857.73	16,19,392.67
iii. Cash and cash equivalents	6(c)	89,276.02	3,11,505.34
iv. Other financial assets	6(d)	25,158.23	8,744.43
Other current assets	10	15,939.35	34,575.83
<b>Total current assets</b>		<b>28,06,745.41</b>	<b>25,27,126.66</b>
<b>Total assets</b>		<b>30,34,985.75</b>	<b>27,58,719.67</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11(a)	5,50,000.00	5,50,000.00
<b>Other equity</b>			
Reserves and surplus	11(b)	12,94,990.33	10,87,458.56
<b>Total equity</b>		<b>18,44,990.33</b>	<b>16,37,458.56</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Lease Liabilities	4 (b)	15,428.50	67,762.00
Employee benefits obligations	12	3,865.28	3,233.20
<b>Total non current liabilities</b>		<b>19,293.78</b>	<b>70,995.20</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Lease Liabilities	4 (b)	34,103.41	42,873.31
ii. Trade payables			
a. total outstanding dues of micro and small enterprises	13(a)	3,724.67	-
b. total outstanding dues other than (ia) above	13(a)	50,783.86	48,988.37
iii. Other financial liabilities	13(b)	9,07,929.31	8,79,116.59
Employee benefits obligations	12	628.75	572.37
Other current liabilities	14	1,73,531.64	78,715.27
<b>Total current liabilities</b>		<b>11,70,701.64</b>	<b>10,50,265.91</b>
<b>Total equity and liabilities</b>		<b>30,34,985.75</b>	<b>27,58,719.67</b>

The above balance sheet should be read in conjunction with the accompanying notes.

The accompanying notes 1 to 33 are an integral part of these financial statements.

For Price Waterhouse Chartered Accountants LLP  
 Firm Registration No. 012754N/N500016

Priyanshu Gundana  
 Partner  
 Membership Number: 109553

Place: Mumbai  
 Date: MAY 20, 2022

For and on behalf of the Board of Directors

Ravi Shankar  
 Director  
 DIN: 02031400

Place: Mumbai  
 Date: May 19, 2022

V. Sethuraman  
 Director  
 DIN: 05222601

**Forbes Bumi Armada Limited**  
**Statement of Profit and Loss for the year ended March 31, 2022**  
*(All amounts in Rs. hundreds, unless otherwise stated)*

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	15	55,84,934.60	52,93,399.93
Other income	16	45,885.13	50,628.67
<b>Total income</b>		<b>56,30,819.73</b>	<b>53,44,028.60</b>
<b>Expenses</b>			
Employee benefits expense	17	52,78,587.48	49,97,708.94
Depreciation and amortisation expense	18	30,019.36	43,928.43
Other expenses	19	57,586.28	63,102.48
Finance costs	20	5,268.86	11,454.72
<b>Total expenses</b>		<b>53,71,461.98</b>	<b>51,16,194.57</b>
<b>Profit before tax</b>		<b>2,59,357.75</b>	<b>2,27,834.03</b>
<b>Income tax expense</b>	21		
- Current tax		60,000.00	50,000.00
- Deferred tax		(7,970.66)	18,020.27
<b>Total tax expense</b>		<b>52,029.34</b>	<b>68,020.27</b>
<b>Profit for the year</b>		<b>2,07,328.41</b>	<b>1,59,813.76</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations (net)	12	271.75	(727.49)
Income tax relating to above	21	(68.39)	183.09
<b>Other comprehensive income for the year</b>		<b>203.36</b>	<b>(544.40)</b>
<b>Total comprehensive income for the year</b>		<b>2,07,531.77</b>	<b>1,59,269.36</b>
<b>Earnings per equity share (Face value per share Rs. 10)</b>			
Basic and Diluted	26	3.77	2.91

*The above statement of profit and loss should be read in conjunction with the accompanying notes.*

The accompanying notes 1 to 33 are an integral part of these financial statements.

For **Price Waterhouse Chartered Accountants LLP**  
 Firm Registration No. 912754N/N500016

**Priyanshu Gundana**  
 Partner  
 Membership Number: 109553

Place: Mumbai  
 Date: **MAY 20, 2022**

For and on behalf of the Board of Directors

**Ravi Shankar**  
 Director  
 DIN: 02031400

Place: Mumbai  
 Date: May 19, 2022.

**Venkata Sethuraman**  
 Director  
 DIN: 05222601

*Kishore C.*



Forbes Bumi Armada Limited  
Statement of cash flows for the year ended March 31, 2022  
(All amounts in Rs. hundreds, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>			
Profit before tax		2,59,357.75	2,27,834.03
Adjustments for:			
Depreciation and amortisation expense	18	30,019.36	43,928.43
Finance costs	20	5,268.86	11,454.72
Dividend income	16	(20,265.65)	(19,068.50)
Fair value gain from Investment	16	(9,392.55)	(12,853.13)
Interest income	16	(900.70)	(847.09)
Unwinding of interest on financial assets		2,807.43	2,222.10
Gain due to change in lease modification	16	(3,637.55)	-
Unwinding of discount on security deposits	16	(3,178.06)	(2,144.79)
Gain on sale of investments	16	-	(4,277.38)
Net foreign exchange difference		(7,184.11)	(86.27)
		<b>2,52,894.78</b>	<b>2,46,162.12</b>
Change in operating assets and liabilities:			
Decrease/(increase) in trade receivables		30,715.66	(5,88,381.93)
(Increase) in Other financial assets		(16,413.80)	(902.32)
Decrease/(increase) in Other current assets		18,636.48	(18,678.94)
Increase / (decrease) in Other current liabilities		94,816.37	(41,951.13)
Increase / (decrease) in other current financial liabilities		28,812.72	(22,702.77)
Increase in employee benefits obligations		960.21	966.76
Increase in trade payables		5,520.16	8,788.16
<b>Cash generated from operating activities</b>		<b>4,15,942.58</b>	<b>(4,16,700.05)</b>
Income taxes (paid)/refund	8	(1,10,876.78)	71,842.84
<b>Net cash inflow/(outflow) from operating activities (A)</b>		<b>3,05,065.80</b>	<b>(3,44,857.21)</b>
<b>Cash flows from/(used in) investing activities</b>			
Payments for acquisition of property, plant and equipment	3	-	(50.74)
Proceeds from sale of investments		-	9,75,247.63
Payments for purchase of investments		(5,18,213.14)	(3,07,498.78)
Dividend received	16	20,265.65	19,068.50
Bank deposit given		(810.63)	(783.56)
Interest received	16	900.70	847.09
<b>Net cash (outflow)/inflow from investing activities (B)</b>		<b>(4,97,857.42)</b>	<b>6,86,830.14</b>
<b>Cash flows from/(used in) from Financing activities</b>			
Refund of Security Deposit		9,823.17	-
Prepaid written off on account of refund of security deposit		(412.44)	-
Principle elements of lease payments		(33,582.96)	(38,593.32)
Interest payment lease liabilities		(4,972.34)	(11,319.82)
Finance cost paid		(296.52)	(134.90)
<b>Net cash outflow from Financing activities (C)</b>		<b>(29,441.09)</b>	<b>(50,048.04)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>		<b>(2,22,232.71)</b>	<b>2,91,924.89</b>
Cash and cash equivalents at the beginning of the financial year		3,11,505.34	19,583.44
Effects of exchange rate changes on cash and cash equivalents		3.39	(2.99)
<b>Cash and cash equivalents at end of the year</b>	6(c)	<b>89,276.02</b>	<b>3,11,505.34</b>
<b>Non-cash Financing and Investing activities</b>			
- Acquisition of right of use assets	4	138.39	-
Cash and cash equivalents comprise of:			
Cash on hand		309.98	306.59
Balance with Banks			
In current accounts		88,966.04	3,11,198.75
		<b>89,276.02</b>	<b>3,11,505.34</b>

The above statement of cash flows should be read in conjunction with the accompanying notes.

The accompanying notes 1 to 33 are an integral part of these financial statements.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No. 012756N/N500016

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

Place: Mumbai  
Date: **MAY 20, 2022**

For and on behalf of the Board of Directors

**Ravi Shankar**  
Director  
DIN: 02031400

**Venkata Sethuraman**  
Director  
DIN: 05222601

Place: Mumbai  
Date: May 19, 2022

**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, 2020		5,50,000.00
Changes in equity share capital	11(a)	-
<b>As at March 31, 2021</b>		<b>5,50,000.00</b>
Changes in equity share capital	11(a)	-
<b>As at March 31, 2022</b>		<b>5,50,000.00</b>

**B. Other equity**

	Notes	Reserves and Surplus		
		Retained earnings	Other Comprehensive Income	Total
<b>Balance as at April 01, 2020</b>	11(b)	9,27,483.97	705.23	9,28,189.20
Profit for the year		1,59,813.76	-	1,59,813.76
Other Comprehensive Income for the year		-	(544.40)	(544.40)
<b>Total Comprehensive Income for the year</b>		<b>1,59,813.76</b>	<b>(544.40)</b>	<b>1,59,269.36</b>
<b>Balance as at March 31, 2021</b>		<b>10,87,297.73</b>	<b>160.83</b>	<b>10,87,458.56</b>
<b>Balance as at April 01, 2021</b>	11(b)	10,87,297.73	160.83	10,87,458.56
Profit for the year		2,07,328.41	-	2,07,328.41
Other Comprehensive Income for the year		-	203.36	203.36
<b>Total Comprehensive Income for the year</b>		<b>2,07,328.41</b>	<b>203.36</b>	<b>2,07,531.77</b>
<b>Balance as at March 31, 2022</b>		<b>12,94,626.14</b>	<b>364.19</b>	<b>12,94,990.33</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

The accompanying notes 1 to 33 are an integral part of these financial statements.

For Price Waterhouse Chartered Accountants LLP  
 Firm Registration No. 012754N/N500016

**Priyanshu Gundana**  
 Partner  
 Membership Number: 109553

Place: Mumbai  
 Date: **MAY 20, 2022**

For and on behalf of the Board of Directors

**Ravi Shankar**  
 Director  
 DIN: 02031400

**Venkata Sethuraman**  
 Director  
 DIN: 05222601

Place: Mumbai  
 Date: May 19, 2022

**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

**Background**

Forbes Bumi Armada Limited (the 'Company') is a joint venture between Forbes Campbell Finance Limited and Bumi Armada (Singapore) Pte. Limited. Refer Note 11(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 19, 2022.

**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.

**(ii) Going Concern**

The Directors of the Company have assessed its liquidity position (including the impact of COVID-19) and its possible sources of funds. The Board of Directors are confident of the Company's ability to meet its obligations in the next twelve months from the balance sheet date. Accordingly, these financial statements have been prepared on a going concern basis.

**(iii) Historical cost convention**

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities 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.

**(iv) 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 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.



**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

**(v) New amendments issued but not effective**

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

**(vi) Reclassification consequent to amendment Schedule III**

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of (i) unbilled revenue (ii) security deposits, in the current year.

The unbilled revenue has now been included in the "Trade Receivables" line item. Previously, unbilled revenue was included in 'other financial assets' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

<b>Balance sheet (extract)</b>	<b>31 March 2021 (as previously reported)</b>	<b>Increase/ (Decrease)</b>	<b>31 March 2021 (restated)</b>
Loans (non-current)	33,455.56	(33,455.56)	-
Other financial assets (non-current)	13,042.97	33,455.56	46,498.53
Loans (current)	8,744.43	(8,744.43)	-
Other financial assets (current)	-	8,744.43	8,744.43

**(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 recognised on cost plus basis as per the terms of the contract.

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.



**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

The Company is considered to be a principal for revenue from manning services transaction since it controls a promised service before transferring that service to the operator, in this case, the transaction is recorded in gross in the statement of profit and loss. In case of service income, the Company is acting as an agent since it only arranges for another party to provide a service to the operator with a mark-up, and hence, revenue is reported on a net basis.

The company uses the following indicators to determine if they control the service:

- The Company has the primary responsibility for the service meeting the operator's expectations;
- The Company is directly involved in the selection of candidates to perform the services to the operator;
- The Company bears the associated risk;
- The Company has procurement risk;
- The Company has pricing latitude meaning it has the discretion to establish the price for a service.

**(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

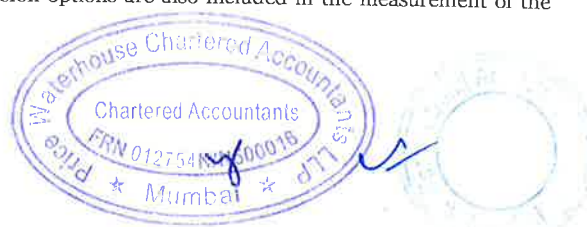
Leases are recognised as a right-of-use asset and a corresponding liability at the date which the leased asset is available for use by the Company.

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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset. Contracts may contain both lease and non-lease components. The Company has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities are initially measured on the present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable by the company under residual value guarantees.
- the exercise price of purchase option if the company is reasonably certain to exercise the option and
- payment of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.



**Forbes Bumi Armada Limited**

**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to 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.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with Risk-free interest rate adjusted for credit risk for leases held by the Company, which doesn't have recent third-party financing, and
- makes adjustments specific to the lease e.g. term, security etc

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the Company uses that rate as a starting point to determine the incremental borrowing rate.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct cost, and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on straight line basis. If the company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and all the leases of low value assets are recognised as expense on a straight-line basis in profit and loss. Short term leases are leases with a term of lease term of 12 months or less.

**(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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

**(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**

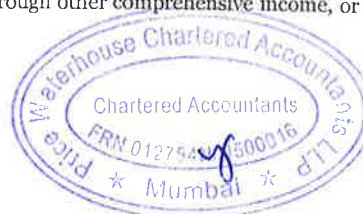
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

**(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) Recognition**

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the group commits to purchase or sale the financial asset.

**(iii) 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.

**(iv) 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.

**(v) 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.

**(vi) Income recognition**

Interest income on financial assets at amortised cost is calculated using the effective interest method is recognised in the statement of profit and loss as a part of other income.

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:

<b>Assets</b>	<b>Useful life</b>
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).



**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

**(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.

**(a) Leave entitlement**

The employee of the company is entitled to leave as per the leave policy of the Company. The liability in respect of unutilized leave balance, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

**(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

**(a) 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.





**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

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.

**(b) 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) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the company is considered has the chief operating decision maker which assesses the financial performance and position of the company and makes strategic decisions. See note 27 for segment information presented.

**(r) 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.

**(s) 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.

**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  
Notes to the financial statements as at and for the year ended March 31, 2022 (continued)  
(All amounts in Rs, hundreds, unless otherwise stated)

3. Property, plant and equipment

Particulars	Office equipment	Computers	Total
<b>Year ended March 31, 2021</b>			
Gross carrying amount			
Opening gross carrying amount	6,121.02	2,721.97	8,842.99
Additions	-	50.74	50.74
<b>Closing gross carrying amount</b>	<b>6,121.02</b>	<b>2,772.71</b>	<b>8,893.73</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	5,606.21	2,721.97	8,328.18
Depreciation charge during the year	514.81	50.74	565.55
<b>Closing accumulated depreciation</b>	<b>6,121.02</b>	<b>2,772.71</b>	<b>8,893.73</b>
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Year ended March 31, 2022</b>			
Gross carrying amount			
Opening gross carrying amount	6,121.02	2,772.71	8,893.73
Additions	-	-	-
<b>Closing gross carrying amount</b>	<b>6,121.02</b>	<b>2,772.71</b>	<b>8,893.73</b>
<b>Accumulated depreciation</b>			
Opening accumulated depreciation	6,121.02	2,772.71	8,893.73
Depreciation charge during the year	-	-	-
<b>Closing accumulated depreciation</b>	<b>6,121.02</b>	<b>2,772.71</b>	<b>8,893.73</b>
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>	<b>-</b>

4. Leases

4 (a) Right of use of Assets

Leasehold premises	As at March 31, 2022	As at March 31, 2021
<b>Gross carrying amount</b>		
Opening gross carrying amount	1,86,286.47	2,08,908.50
Reduction due to remeasurement of lease	(24,021.28)	(22,622.03)
Addition due to remeasurement of lease	138.39	-
<b>Closing gross carrying amount</b>	<b>1,62,403.58</b>	<b>1,86,286.47</b>
<b>Accumulated depreciation</b>		
Opening accumulated depreciation	90,201.35	47,300.04
Depreciation charge during the year	29,876.79	42,901.31
<b>Closing accumulated depreciation</b>	<b>1,20,078.14</b>	<b>90,201.35</b>
<b>Net carrying amount</b>	<b>42,325.44</b>	<b>96,085.12</b>

4 (b) Lease Liabilities

The Company has taken office premises under lease and license arrangement. The lease term is for 5 years but may have extension and termination options. Pursuant to transition to Ind AS 116 from April 01, 2019 onwards the company has recognised right-of-use assets for the lease. The Company does not have short term lease or low value leases.

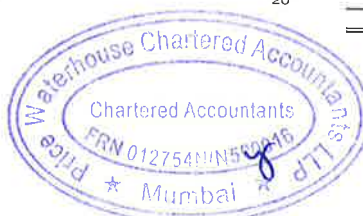
	As at March 31, 2022	As at March 31, 2021
<b>Current Liabilities</b>	34,103.41	42,873.31
<b>Non Current Liabilities</b>	15,428.50	67,762.00
	<b>49,531.91</b>	<b>1,10,635.31</b>

The Following is the movement in lease liabilities during the year ended March 31, 2022.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Opening Balance</b>	1,10,635.31	1,71,850.66
Finance cost accrued during the period	4,972.34	11,319.82
Payment of Lease Liabilities	(38,555.30)	(49,913.14)
Reduction due to remeasurement of lease (Refer note 1 and 2 below)	(27,658.83)	(22,622.03)
Addition due to remeasurement of lease (Refer note 1)	138.39	-
<b>Closing Balance</b>	<b>49,531.91</b>	<b>1,10,635.31</b>

Amount recognised in the statement of profit and loss

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Depreciation charge of right-of-use assets	4	29,876.79	42,901.31
Interest expense (included in finance costs)	20	4,972.34	11,319.82
		<b>34,849.13</b>	<b>54,221.13</b>



Forbes Burni Armada Limited  
Notes to the financial statements as at and for the year ended March 31, 2022 (continued)  
(All amounts in Rs. hundreds, unless otherwise stated)

**Net debt reconciliation**

Particulars	As at	
	March 31, 2022	March 31, 2021
Cash and cash equivalents	89,276.02	3,11,505.34
Lease Liabilities	(49,531.91)	(1,10,635.31)
<b>Net debt</b>	<b>39,744.11</b>	<b>2,00,870.03</b>

Particulars	Cash and Bank	Lease obligations	Total
<b>Net debt as at March 31, 2020</b>	<b>19,583.44</b>	<b>(1,71,850.66)</b>	<b>(1,52,267.22)</b>
Cash flow	2,91,924.89	38,593.32	3,30,518.21
Foreign exchange adjustment	(2.99)	-	(2.99)
Interest expense	-	(11,319.82)	(11,319.82)
Interest paid	-	11,319.82	11,319.82
Modification of Lease Liabilities (Refer note 2 below)	-	22,622.03	22,622.03
<b>Net debt as at March 31, 2021</b>	<b>3,11,505.34</b>	<b>(1,10,635.31)</b>	<b>2,00,870.03</b>
Cash flow	(2,22,232.71)	33,582.96	(1,88,649.75)
Foreign exchange adjustment	3.39	-	3.39
Interest expense	-	(4,972.34)	(4,972.34)
Interest paid	-	4,972.34	4,972.34
Modification of Lease Liabilities (Refer note 1 below)	-	27,520.44	27,520.44
<b>Net debt as at March 31, 2022</b>	<b>89,276.02</b>	<b>(49,531.91)</b>	<b>39,744.11</b>

**Note 1:**

The lease liability is remeasured during the year ended March 31, 2022 due to decrease in scope of lease. Due to this, the carrying amount of the right of use asset is decreased to reflect the partial termination of lease resulting to a gain recognised in the Statement of Profit and Loss. Accordingly, the lease liability is revalued at the present value by applying the lessee's incremental borrowing rate of 7.55% as on April 01, 2021, and the difference from previous carrying value of lease has been adjusted against right of use asset.

**Note 2:**

During the previous year, the lease liability was remeasured due to change in the consideration of lease and revalued at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of September 01, 2020. The incremental borrowing rate applied to the lease liabilities on September 01, 2020 was 7.70%, and any difference from previous carrying value of lease has been adjusted against right of use asset.

Total maturities of lease liabilities as at March 31, 2022 is Rs 49,531.92 in hundreds (Previous year: Rs 110,635.31 in hundreds) as mentioned in note 23(b)

**5. Intangible assets**

Particulars	Computer Software
<b>Year ended March 31, 2021</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount	2,763.00
Disposal	-
<b>Closing gross carrying amount</b>	<b>2,763.00</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation	2,158.86
Amortisation charge for the year	461.57
Disposal	-
<b>Closing accumulated amortisation</b>	<b>2,620.43</b>
<b>Net carrying amount</b>	<b>142.57</b>
<b>Year ended March 31, 2022</b>	
<b>Gross carrying amount</b>	
Opening gross carrying amount	2,763.00
Disposal	-
<b>Closing gross carrying amount</b>	<b>2,763.00</b>
<b>Accumulated amortisation</b>	
Opening accumulated amortisation	2,620.43
Amortisation charge for the year	142.57
Disposal	-
<b>Closing accumulated amortisation</b>	<b>2,763.00</b>
<b>Net carrying amount</b>	<b>-</b>



Forbes Bumi Armada Limited  
Notes to the financial statements as at and for the year ended March 31, 2022 (continued)  
(All amounts in Rs. hundreds, unless otherwise stated)

6. Financial assets

	As at March 31, 2022	As at March 31, 2021
<b>6(a) Current investments</b>		
<b>Investment in mutual funds</b>		
<b>Unquoted - Carried at Fair value through profit &amp; loss A/c</b>		
255813.18 (Previous year: 100208.14) Units in Aditya Birla Sun Life Mutual Fund - ABSL Liquid Fund- Daily IDCW- Regular Plan	2,56,312.02	1,00,403.55
296382.72 (Previous year: 90224.16) Units in ICICI Prudential Mutual Fund - Liquid fund - Daily IDCW	2,96,821.96	90,357.87
25125.108 (Previous year : 9843.92 ) Units in HDFC Liquid Fund - Daily IDCW	2,56,230.88	1,00,390.30
14859.65(Previous year : 14859.65) Units in SBI -Magnum Ultra Short Duration Fund Regular Plan - Daily IDCW	2,71,149.22	2,61,756.67
<b>Total investment in mutual funds</b>	<u>10,80,514.08</u>	<u>5,52,908.39</u>
<b>Total current investments</b>	<u>10,80,514.08</u>	<u>5,52,908.39</u>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	10,80,514.08	5,52,908.39
Aggregate amount of impairment in the value of investments	-	-
<b>6(b) Trade receivables</b>		
Trade receivables from related parties (Refer note 25)	6,91,528.28	9,14,375.00
Unbilled revenue (Refer note 25) *	9,04,329.45	7,05,017.67
<b>Total receivables</b>	<u>15,95,857.73</u>	<u>16,19,392.67</u>
Current portion	15,95,857.73	16,19,392.67
Non-current portion	-	-
<b>Break-up of security details</b>		
Trade receivables considered good - Unsecured	15,95,857.73	16,19,392.67
<b>Total</b>	<u>15,95,857.73</u>	<u>16,19,392.67</u>

\* The receivable is 'unbilled' because the Company has not yet issued an invoice; however, the balance has been included under trade receivables because it is an unconditional right to consideration.

**Aging of trade receivable:**

	Outstanding for following periods from the due date							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 year	2-3 year	More than 3 year	
<b>As at March 31, 2022</b>								
Undisputed trade receivables								
Considered good	9,04,329.45	3,30,858.71	1,90,728.27	1,69,941.30	-	-	-	15,95,857.73
<b>Total</b>	<u>9,04,329.45</u>	<u>3,30,858.71</u>	<u>1,90,728.27</u>	<u>1,69,941.30</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,95,857.73</u>
<b>As at March 31, 2021</b>								
Undisputed trade receivables								
Considered good	7,05,017.67	4,13,110.92	3,57,197.52	1,44,066.56	-	-	-	16,19,392.67
<b>Total</b>	<u>7,05,017.67</u>	<u>4,13,110.92</u>	<u>3,57,197.52</u>	<u>1,44,066.56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,19,392.67</u>

**6(c) Cash and cash equivalents**

Balances with banks in current accounts	88,966.04	3,11,198.75
Cash on hand	309.98	306.59
<b>Total cash and cash equivalents</b>	<u>89,276.02</u>	<u>3,11,505.34</u>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

**6(d) Other financial assets**

	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Security Deposits				
Bank deposit with more than 12 months maturity (held as lien against bank guarantee)	25,158.23	26,810.45	8,744.43	33,455.56
<b>Total other financial assets</b>	<u>25,158.23</u>	<u>40,664.05</u>	<u>8,744.43</u>	<u>46,498.53</u>



**Forbes Bumi Armada Limited**

**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

(All amounts in Rs. hundreds, unless otherwise stated)

**7. Deferred tax assets**

	As at March 31, 2022	As at March 31, 2021
Tax effect of items constituting deferred tax assets		
Disallowances under Section 40(a)(ia), 40A(7) and 43B of the Income Tax Act, 1961	10,871.07	957.79
Timing difference between book balance and balance as per Income Tax Act, 1961 for property, plant and equipment		
Lease Liabilities	595.97	665.43
Other timing differences	1,813.72	3,661.99
<b>Total deferred tax assets</b>	<b>13,303.63</b>	<b>5,401.36</b>
Tax effect of items constituting deferred tax liabilities		
Other timing differences		
<b>Total deferred tax liabilities</b>	<b>-</b>	<b>-</b>
<b>Net deferred tax assets</b>	<b>13,303.63</b>	<b>5,401.36</b>

**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	Lease Liabilities	Other	Grand Total
<b>As at April 01, 2020</b>	20,030.29	533.80	2,577.76	96.69	23,238.54
(Charged)/credited:					
- to profit or loss	(19,255.59)	131.63	1,084.23	19.46	(18,020.27)
- to other comprehensive income	183.09	-	-	-	183.09
<b>As at March 31, 2021</b>	<b>957.79</b>	<b>665.43</b>	<b>3,661.99</b>	<b>116.15</b>	<b>5,401.36</b>
(Charged)/credited:					
- to profit or loss	9,981.67	(69.46)	(1,848.27)	(93.28)	7,970.66
- to other comprehensive income	(68.39)	-	-	-	(68.39)
<b>As at March 31, 2022</b>	<b>10,871.07</b>	<b>595.97</b>	<b>1,813.72</b>	<b>22.87</b>	<b>13,303.63</b>

	As at March 31, 2022	As at March 31, 2021
<b>8. Income tax assets (Net)</b>		
<b>Non-current tax assets</b>		
Opening balance	3,03,670.69	3,75,513.53
Less: Refund received	(3,847.89)	(1,68,174.03)
Add: Tax paid (including tax deducted at source)	1,14,724.67	96,331.19
<b>Closing balance</b>	<b>4,14,547.47</b>	<b>3,03,670.69</b>
<b>Current tax liabilities</b>		
Opening balance	2,59,894.39	2,09,894.39
Add: Current tax payable for the year	60,000.00	50,000.00
<b>Closing balance</b>	<b>3,19,894.39</b>	<b>2,59,894.39</b>
<b>Total Income tax assets (net)</b>	<b>94,653.08</b>	<b>43,776.30</b>
<b>9. Other non-current assets</b>		
Prepaid expenses	758.56	3,453.55
Balance with government authorities (Amount paid under protest)	36,535.58	36,535.58
<b>Total non-current assets</b>	<b>37,294.14</b>	<b>39,689.13</b>
<b>10. Other current assets</b>		
Receivable from insurance company	2,373.73	13,423.77
Advance to vendors	-	81.07
Balances with government authorities	450.00	450.00
Prepaid expenses	13,115.62	20,620.99
<b>Total other current assets</b>	<b>15,939.35</b>	<b>34,575.83</b>



Forbes Bumi Armada Limited  
Notes to the financial statements as at and for the year ended March 31, 2022 (continued)  
(All amounts in Rs. hundreds, unless otherwise stated)

11. Equity share capital and other equity

11(a) Equity share capital

Authorised equity share capital	Par value of share (Amount in Rs)	Number of shares	Amount
As at April 01, 2020	10	1,00,00,000	10,00,000.00
Increase during the year	-	-	-
<b>As at March 31, 2021</b>		<b>1,00,00,000</b>	<b>10,00,000.00</b>
Increase during the year	-	-	-
<b>As at March 31, 2022</b>		<b>1,00,00,000</b>	<b>10,00,000.00</b>

(i) Movement in equity share capital (issued, subscribed and paid up capital)

As at April 01, 2020	10	55,00,000	5,50,000.00
Shares issued during the year	-	-	-
<b>As at March 31, 2021</b>		<b>55,00,000</b>	<b>5,50,000.00</b>
Shares issued during the year	-	-	-
<b>As at March 31, 2022</b>		<b>55,00,000</b>	<b>5,50,000.00</b>

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, 2022		As at March 31, 2021	
	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%
	<b>55,00,000</b>		<b>55,00,000</b>	

(iii) Details of shareholding of promoters:

Name of Promoters	As at March 31, 2022			As at March 31, 2021		
	Numbers of shares	Percentage of total number of shares	Percentage of change during the year	Numbers of shares	Percentage of total number of shares	Percentage of change during the year
Forbes Campbell Finance Limited	28,04,975	51.00%	Nil	28,04,975	51.00%	Nil
Bumi Armada (Singapore) Pte. Ltd.	26,95,000	49.00%	Nil	26,95,000	49.00%	Nil
Other individual Jointly with Forbes Campbell Finance Ltd:						
Prashant Pradhan	1	0.00%	Nil	1	0.00%	Nil
Nirmal Jagawat	1	0.00%	Nil	1	0.00%	Nil
Pankaj Khattar	1	0.00%	Nil	1	0.00%	Nil
Ravinder Prem	1	0.00%	Nil	1	0.00%	Nil
Vinodkumar Vora	20	0.00%	Nil	20	0.00%	Nil
Vikram Nagar	1	0.00%	Nil	1	0.00%	Nil
	<b>55,00,000</b>			<b>55,00,000</b>		

11(b) Reserves and surplus

	As at March 31, 2022	As at March 31, 2021
Retained earnings	12,94,990.33	10,87,458.56
<b>Total Reserves and Surplus</b>	<b>12,94,990.33</b>	<b>10,87,458.56</b>
<b>Retained earnings</b>		
Opening balance	10,87,458.56	9,28,189.20
Net profit for the year	2,07,328.41	1,59,813.76
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement of post-employment benefit obligation, net of tax	203.36	(544.40)
<b>Closing balance</b>	<b>12,94,990.33</b>	<b>10,87,458.56</b>



12. Employee benefits obligations

	As at March 31, 2022			As at March 31, 2021		
	Current	Non-current	Total	Current	Non-current	Total
Leave obligation	428.40	-	428.40	359.44	-	359.44
Gratuity	200.35	3,865.28	4,065.63	212.93	3,233.20	3,446.13
<b>Total provisions</b>	<b>628.75</b>	<b>3,865.28</b>	<b>4,494.03</b>	<b>572.37</b>	<b>3,233.20</b>	<b>3,805.57</b>

(a) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of Rs. 428.40 hundreds (Previous year: Rs 359.44 hundreds) 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. 3,190.06 hundreds (Previous year: Rs.2,841.84 hundreds).

(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, 2020	2,103.24
Current service cost	481.83
Interest expense	133.57
<b>Total amount recognised in profit or loss</b>	<b>615.40</b>
Remeasurements	
(Gain)/loss from change in financial assumptions	41.53
Experience (gain)/loss	685.96
<b>Total amount recognised in other comprehensive income</b>	<b>727.49</b>
<b>Balance as at March 31, 2021</b>	<b>3,446.13</b>
Balance as at April 01, 2021	3,446.13
Current service cost	1,341.28
Interest expense	214.74
<b>Total amount recognised in profit or loss</b>	<b>1,556.02</b>
Remeasurements	
(Gain)/loss from change in financial assumptions	(138.04)
Experience (gain)/loss	(133.71)
<b>Total amount recognised in other comprehensive income</b>	<b>(271.75)</b>
Benefit Payments	(664.77)
<b>Balance as at March 31, 2022</b>	<b>4,065.63</b>

(ii) Significant estimates: Actuarial assumptions and sensitivity analysis

The significant actuarial assumptions were as follow :

	March 31, 2022	March 31, 2021
Discount rate	6.78%	6.43%
Salary growth rate	10%	10%

(iii) Sensitivity analysis

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

	Change in assumption			Impact on defined benefit obligation				
	March 31, 2022	March 31, 2021	Increase/Decrease	March 31, 2022	March 31, 2021	Increase/Decrease	March 31, 2022	March 31, 2021
Discount rate	1%	1%	Decrease to	4,479.50	3,123.03	Increase to	3,707.18	3,825.54
Salary growth rate	1%	1%	Increase to	4,446.90	3,794.40	Decrease to	3,727.71	3,142.36

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.

(iv) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 7.57 years (Previous year: 7.97 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, 2022	200.35	198.74	915.69	1,732.73
March 31, 2021	212.93	210.87	693.69	1,347.06	2,464.55



Forbes Bumi Armada Limited  
Notes to the financial statements as at and for the year ended March 31, 2022 (continued)  
(All amounts in Rs. hundreds, unless otherwise stated)

	As at March 31, 2022	As at March 31, 2021
<b>13. Financial liabilities</b>		
<b>13(a) Trade payables</b>		
<b>Current</b>		
Trade payables: micro and small enterprises (Refer note below & note 28)	3,724.67	-
Trade payables: others	34,849.74	36,642.98
Trade payables to related parties (Refer note 25)	<u>15,934.12</u>	<u>12,345.39</u>
<b>Total trade payables</b>	<u><b>54,508.53</b></u>	<u><b>48,988.37</b></u>

**Aging of trade payables:**

	Outstanding for following periods from the due date						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>As at March 31, 2022</b>							
Undisputed trade payables							
Micro and small enterprises	315.00	3,409.67	-	-	-	-	3,724.67
Others	<u>19,665.27</u>	<u>31,118.59</u>	-	-	-	-	<u>50,783.86</u>
<b>Total</b>	<u><b>19,980.27</b></u>	<u><b>34,528.26</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>54,508.53</b></u>
<b>As at March 31, 2021</b>							
Undisputed trade payables							
Micro and small enterprises	-	-	-	-	-	-	-
Others	<u>18,861.85</u>	<u>29,132.02</u>	<u>994.50</u>	-	-	-	<u>48,988.37</u>
<b>Total</b>	<u><b>18,861.85</b></u>	<u><b>29,132.02</b></u>	<u><b>994.50</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>-</b></u>	<u><b>48,988.37</b></u>

**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.

**13(b) Other financial liabilities**

<b>Current</b>		
Employee benefits payable	9,07,929.31	8,79,116.59
<b>Total other financial liabilities</b>	<u><b>9,07,929.31</b></u>	<u><b>8,79,116.59</b></u>

**14. Other current liabilities**

Statutory dues including provident fund and tax deducted at source	1,73,531.64	78,715.27
<b>Total other current liabilities</b>	<u><b>1,73,531.64</b></u>	<u><b>78,715.27</b></u>





**Forbes Bumi Armada Limited**

**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

*(All amounts in Rs. hundreds, unless otherwise stated)*

	Year ended March 31, 2022	Year ended March 31, 2021
<b>15. Revenue from operations</b>		
Revenue from contracts with customers		
Income from manpower services (refer note 25)	55,57,455.10	52,68,950.86
Other operating revenue		
Service income (refer note 25)	27,479.50	24,449.07
<b>Total revenue from operations</b>	<b>55,84,934.60</b>	<b>52,93,399.93</b>
<b>16. Other income and other gains/(losses)</b>		
Dividend income from investments mandatorily measured at fair value through profit or loss	20,265.65	19,068.50
Net fair value gains from investments mandatorily measured at fair value through profit or loss	9,392.55	12,853.13
Net gain on sale of investments	-	4,277.38
Interest Income	900.70	847.09
Unwinding of discount on security deposits	3,178.06	2,144.79
Interest on income tax refund	57.71	11,753.28
Other income	-	2,363.92
Gain due to change in lease modification	3,637.55	-
Net foreign exchange differences	8,452.91	(2,679.42)
<b>Total other income</b>	<b>45,885.13</b>	<b>50,628.67</b>
<b>17. Employee benefits expense</b>		
Salaries, wages and bonus	52,73,840.41	49,94,251.70
Contribution to provident fund (Refer note 12)	3,190.06	2,841.84
Gratuity (Refer note 12)	1,556.02	615.40
Staff welfare expenses	0.99	-
<b>Total employee benefits expense</b>	<b>52,78,587.48</b>	<b>49,97,708.94</b>
<b>18. Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (Refer note 3)	-	565.55
Depreciation of ROU of Assets (Refer note 4)	29,876.79	42,901.31
Amortisation of intangible assets (Refer note 5)	142.57	461.57
<b>Total depreciation and amortisation expense</b>	<b>30,019.36</b>	<b>43,928.43</b>
<b>19. Other expenses</b>		
Unwinding of interest on account of security deposits	2,807.43	2,222.10
Insurance	2,800.77	1,990.84
Brokerage and commission	-	1,200.00
Travel and conveyance *	320.90	308.68
Charity & Donation	-	130.00
Director's sitting fees (Refer note 25)	1,200.00	1,100.00
Payment to auditors		
Audit Fee	8,000.00	8,000.00
Tax audit Fee	1,000.00	1,000.00
Others - Reimbursement of expenses	-	55.00
Legal and professional fees	17,494.42	20,975.19
IT expenses *	13,766.25	17,129.05
Communication charges	1,941.31	1,618.29
Bank charges	575.50	782.44
Electricity charges	6,870.60	5,697.00
Miscellaneous expenditure	809.10	893.89
<b>Total other expenses</b>	<b>57,586.28</b>	<b>63,102.48</b>
<b>20. Finance costs</b>		
Interest on statutory dues	296.52	134.90
Interest and finance charges on lease liabilities and financial liabilities not at fair value through profit or loss	4,972.34	11,319.82
<b>Total finance cost</b>	<b>5,268.86</b>	<b>11,454.72</b>

\* Certain expenses pertain to related party for details refer note 25



**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**  
*(All amounts in Rs. hundreds, unless otherwise stated)*

	Year ended March 31, 2022	Year ended March 31, 2021
<b>21. Income tax expense</b>		
Current tax:		
Current tax on profits for the year	60,000.00	50,000.00
<b>Total current tax expense</b>	<u>60,000.00</u>	<u>50,000.00</u>
Deferred tax:		
(Increase) / Decrease in deferred tax assets - Statement of Profit and Loss	(7,970.66)	18,020.27
(Increase) in deferred tax assets - Other Comprehensive Income	(68.39)	(183.09)
<b>Total deferred tax expense/(benefit)</b>	<u>(8,039.05)</u>	<u>17,837.18</u>
<b>Income tax expense</b>	<u>51,960.95</u>	<u>67,837.18</u>

**(a) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:**

Profit before taxes	2,59,357.75	2,27,834.03
<b>Tax amount at the rate of Indian tax rate of 25.168%</b>	<u>65,275.16</u>	<u>57,341.27</u>
Tax effect of expenses/(income) which are not deductible (taxable) in calculating taxable income:		
- Interest on statutory dues	-	6.78
- Disallowance of expense under Section 14A	-	-
- Charity and donation expense disallowed	-	32.72
- Other items	(111.01)	1,130.60
Items reverse in which no deferred tax to be realised	<u>(13,203.20)</u>	<u>9,325.81</u>
	<u>51,960.95</u>	<u>67,837.18</u>



Forbes Bumi Armada Limited  
Notes to the financial statements as at and for the year ended March 31, 2022 (continued)  
(All amounts in Rs. hundreds, unless otherwise stated)

22. Fair value measurements

22(a) Financial instruments by category

	As at March 31, 2022		As at March 31, 2021	
	FVPL	Amortised cost	FVPL	Amortised cost
<b>Financial assets</b>				
Investments in mutual funds	10,80,514.08	-	5,52,908.39	-
Trade receivables	-	6,91,528.28	-	9,14,375.00
Unbilled Revenue	-	9,04,329.45	-	7,95,017.67
Cash and cash equivalents	-	89,276.02	-	3,11,505.34
Security deposits	-	51,968.68	-	42,199.99
Bank deposit with more than 12 months maturity (held as lien against bank guarantee)	-	13,853.60	-	13,042.97
<b>Total financial assets</b>	<b>10,80,514.08</b>	<b>17,50,956.03</b>	<b>5,52,908.39</b>	<b>19,86,140.97</b>
<b>Financial liabilities</b>				
Lease liabilities	-	49,531.91	-	1,10,635.31
Trade payables	-	54,508.53	-	48,988.37
Employee benefits payable	-	9,07,929.31	-	8,79,116.59
<b>Total financial liabilities</b>	<b>-</b>	<b>10,11,969.75</b>	<b>-</b>	<b>10,38,740.27</b>

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, 2022					
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial instruments at FVPL					
Investment in mutual funds	6(a)	-	10,80,514.08	-	10,80,514.08
<b>Total financial assets</b>		-	<b>10,80,514.08</b>	-	<b>10,80,514.08</b>

Financial assets and liabilities measured at fair value - recurring fair value measurements at March 31, 2021					
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Financial instruments at FVPL					
Investment in mutual funds	6(a)	-	5,52,908.39	-	5,52,908.39
<b>Total financial assets</b>		-	<b>5,52,908.39</b>	-	<b>5,52,908.39</b>

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2022					
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	6(d)	-	-	51,968.68	51,968.68
<b>Total financial assets</b>		-	-	<b>51,968.68</b>	<b>51,968.68</b>

Financial assets and liabilities which are measured at amortised cost for which fair values are disclosed at March 31, 2021					
	Notes	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	6(d)	-	-	42,199.99	42,199.99
<b>Total financial assets</b>		-	-	<b>42,199.99</b>	<b>42,199.99</b>

22(c) Valuation processes

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. 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, 2022		As at March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits	51,968.68	51,968.68	42,199.99	42,199.99
<b>Total financial assets</b>	<b>51,968.68</b>	<b>51,968.68</b>	<b>42,199.99</b>	<b>42,199.99</b>

The carrying amounts of trade receivables, unbilled revenue, bank deposit with more than 12 months maturity, cash and cash equivalents, lease liabilities, 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 four customers and is generating all its revenue from the said customers. Based on the management's assessment considering the customer's market capitalisation and past history, 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, 2022

Contractual maturities of financial liabilities	Upto 1 year	More than 1 year	Total
Lease liabilities	34,103.41	15,428.50	49,531.91
Trade and other payables	54,508.53	-	54,508.53
Other financial liabilities	9,07,929.31	-	9,07,929.31

#### For the year ended March 31, 2021

Contractual maturities of financial liabilities	Upto 1 year	More than 1 year	Total
Lease liabilities	42,873.31	67,762.00	1,10,635.31
Trade and other payables	48,988.37	-	48,988.37
Other financial liabilities	8,79,116.59	-	8,79,116.59

#### (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's exposure to foreign currency risk at the end of the reporting period expressed in USD are as follows:

	March 31, 2022 USD	March 31, 2021 USD
<b>Financial Assets</b>		
Trade Receivable	6,212.24	4,299.90
Cash and cash equivalents	1.50	1.50

#### Foreign currency sensitivity analysis

The Company is mainly exposed to the currency of USD

The following table detail the Company's sensitivity to a 5% increase and decrease in the Indian Rupee against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary item and adjust their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in the profit or equity where Indian Rupees strengthens 5% against the relevant currency, for a 5% weakening of Rupee against the relevant currency, there would be comparative negative impact on the profit or equity.

Particulars	As at March 31, 2022		As at March 31, 2021	
	Impact on profit and loss with increase in exchange rate by 5%	Impact on profit and loss with decrease in exchange rate by 5%	Impact on profit and loss with increase in exchange rate by 5%	Impact on profit and loss with decrease in exchange rate by 5%
<b>Financial Assets</b>				
USD	23,400.94	(23,400.94)	15,713.01	(15,713.01)



**Forbes Bumi Armada Limited****Notes to the financial statements as at and for the year ended March 31, 2022 (continued)***(All amounts in Rs. hundreds, unless otherwise stated)***23. Financial risk management (continued)****(ii) Interest rate risk**

The Company is not exposed to interest rate risk.

**(d) Offsetting of financial assets and financial liabilities**

The Company has not offset any financial assets and liabilities as on March 31, 2022.

**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, 2022	As at March 31, 2021
Forbes Campbell Finance Limited	India	51%	51%
Bumi Armada (Singapore) Pte Ltd.	Singapore	49%	49%

**B) Other related parties :****Ultimate parent**Shapoorji Pallonji & Company Private Limited  
Bumi Armada Berhad**Transactions have taken place during the year/ closing balance existed at year end :****Entities under common control of joint venture**Shapoorji Pallonji Bumi Armada Offshore Private Limited  
SP Armada Oil Exploration Private Limited  
Forvol International Service Limited  
Armada 98/2 Pte Ltd  
Shapoorji Pallonji Armada Oil And Gas Service Private Limited**Key Managerial Personnel**Ravi Shankar Srinivasan (Director)  
Mahesh Chelaram Tahilyani (Director)  
Venkata Sethuraman Subramanian (Director)  
Ganapathy Srihari Rama Iyer (Director)  
Kua Mei Fang (Director)  
Gary Neal Christenson (Director)  
Mark Andrew Newby (Director upto December 17, 2021)  
David James Clark (Director w.e.f December 17, 2021)

**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**  
*(All amounts in Rs. hundreds, unless otherwise stated)*

**25(c) Transactions with related parties**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Travelling expenses</b>		
Forvol International Service Limited	245.04	-
<b>IT expenses</b>		
SP Armada Oil Exploration Private Limited	13,677.00	17,129.05
<b>Income from manpower services</b>		
Armada 98/2 Pte Ltd	4,27,519.25	2,38,455.08
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	26,38,731.89	12,17,951.09
Shapoorji Pallonji Bumi Armada Offshore Private Limited	-	11,72,364.40
SP Armada Oil Exploration Private Limited	24,91,203.96	26,40,180.29
<b>Service income</b>		
Armada 98/2 Pte Ltd	4,387.29	2,619.17
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	9,509.81	5,943.40
Shapoorji Pallonji Bumi Armada Offshore Private Limited	1,613.44	4,411.85
SP Armada Oil Exploration Private Limited	11,968.96	11,474.65
<b>Reimbursement of expenses</b>		
Armada 98/2 Pte Ltd	65,921.81	37,416.55
Shapoorji Pallonji Armada Oil & Gas Service Private Limited	1,93,319.92	1,06,898.19
Shapoorji Pallonji Bumi Armada Offshore Private Limited	23,219.94	82,499.11
SP Armada Oil Exploration Private Limited	2,45,701.26	2,12,328.41
<b>Director's sitting fees</b>		
Mahesh Chelaram Tahilyani	400.00	400.00
Ravi Shankar Srinivasan	400.00	300.00
Venkata Sethuraman Subramanian	400.00	400.00

**25(d) Balances with related parties as at March 31, 2022**

The following balances are outstanding at the end of the reporting period in relation to transactions

	As at March 31, 2022	As at March 31, 2021
<b>Trade payables</b>		
SP Armada Oil Exploration Private Limited	15,865.32	12,091.59
<b>Total payable to related parties</b>	<b>15,865.32</b>	<b>12,091.59</b>
<b>Director's sitting fees payable</b>		
Mahesh Chelaram Tahilyani	-	92.50
Ravi Shankar Srinivasan	68.80	68.80
Venkata Sethuraman Subramanian	-	92.50
<b>Total payable to related parties</b>	<b>68.80</b>	<b>253.80</b>
<b>Trade receivable</b>		
Armada 98/2 Pte Ltd	4,67,905.60	3,17,524.68
Shapoorji Pallonji Armada Oil And Gas Service Private Limited	1,12,149.49	5,32,721.05
Shapoorji Pallonji Bumi Armada Offshore Private Limited	9,411.20	-
SP Armada Oil Exploration Private Limited	1,02,061.99	64,129.27
<b>Total receivable from related parties</b>	<b>6,91,528.28</b>	<b>9,14,375.00</b>
<b>Unbilled receivable</b>		
Armada 98/2 Pte Ltd	45,211.61	8,108.14
Shapoorji Pallonji Armada Oil And Gas Service Private Limited	4,04,941.04	2,28,765.16
SP Armada Oil Exploration Private Limited	4,54,176.80	4,68,144.37
<b>Total receivable from related parties</b>	<b>9,04,329.45</b>	<b>7,05,017.67</b>



**Forbes Bumi Armada Limited**  
**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**  
*(All amounts in Rs. hundreds, unless otherwise stated)*

**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, 2022	March 31, 2021
Profit after taxation (Rupees)	2,07,328.41	1,59,813.76
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)	3.77	2.91
Face value per share (Rupees)	10	10

**27. Segmental Information**

**Description of segments and principal activities:**

- (i) 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 the financial statements.
- (iii) There are two customers having more than 10% of the gross revenue for the year ended March 31, 2022 and three customers having more than 10% of the gross revenue for the year ended March 31, 2021 contributing to 44.82% (Rs 2,503,172.92 hundreds) and 47.2% (Rs 2,648,241.70 hundreds) for the year ended March 31, 2022 and 50.09% (Rs 2,631,654.94 hundreds), 23.12% (Rs 1,223,894.49 hundreds) and 22.23% (Rs 1,176,776.25 hundreds) for the year ended March 31, 2021.
- (iv) The Company is domiciled in India. The amount of its revenue from customers broken down by location of the customers is shown in the table below:

Revenue from Customer	March 31, 2022	March 31, 2021
India	51,53,028.06	50,52,325.68
Other Countries	4,31,906.54	2,41,074.25
<b>Total</b>	<b>55,84,934.60</b>	<b>52,93,399.93</b>

- (v) The total of all non-current assets (excluding other financial assets) are located only in India as on March 31, 2022 and March 31, 2021.

**28. Dues to micro, small and medium enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	March 31, 2022	March 31, 2021
(i) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	3,724.67	-
(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) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(v) The amount of interest accrued and remaining unpaid at the end of each accounting year, and	-	-
(vi) 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	-	-

Note: The above information regarding dues payable to Micro and Small enterprises is compiled by management to the extent the information is available with the Company regarding the status of suppliers as Micro and Small enterprises.

\*Delays caused due to default by supplier such as delay in submission of valid invoices, supporting, etc. are not considered as delay in payment.

**29. Financial Ratios**

Sr. no	Ratio	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason For Variance*
a)	Current ratio	Current Assets	Current Liabilities	2.40	2.41	-0.36	NA
b)	Debt -equity ratio			NA			
c)	Debt service coverage ratio			NA			
d)	Return on equity ratio	PAT	Average Shareholder equity	3.77	2.91	29.73	Due to increase in Profit in current year
e)	Inventory turnover ratio			NA			
f)	Trade Receivables turnover ratio	Revenue from operation	Closing trade receivables	3.50	3.27	7.06	NA
g)	Trade payables turnover ratio	Total other expenses	Closing trade payables	1.06	1.29	-17.98	NA
h)	Net capital turnover ratio	Revenue from operation	Working capital	3.41	3.58	-4.76	NA
i)	Net profit ratio	PAT	Revenue from operation	0.04	0.03	22.96	NA
j)	Return on Capital employed	EBIT	Capital employed	0.14	0.15	-1.85	NA
k)	Return on investment	EBIT	Closing Total Assets	0.09	0.09	0.52	NA

\* Reasons for variances more than 25% have been disclosed.

**Other regulatory information**

- (i) Title deeds of immovable properties not held in name of the Company  
The Company does not hold any immovable properties (refer note 3 to the financial statements) and hence there are no title deeds which are not held in name of the Company.
- (ii) Registration of charges or satisfaction with Registrar of Companies  
There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (iii) Utilisation of borrowings availed from banks and financial institutions  
The Company did not have any loans or other borrowings from any lender during the year and hence reporting of utilisation of borrowings is not applicable to the Company.
- (iv) The Group has five CICs which are part of the Group - SP Finance Private Limited, SC Finance and Investments Private Limited, Hermes Commerce Private Limited, Renaissance commerce Private Limited and Shapoorji Pallonji Oil and Gas Private Limited.
30. Demand of Rs 65,97,470 raised by income tax department with respect to adjustment done on assessment of transfer pricing for Assessment Year ("AY") 2010-11. The company had disputed the said adjustment and the matter was put up for appeal with the Commissioner of Income Tax (Appeals) ["CIT(A)"]. On March 11, 2021, the company received the order from CIT(A) for the said matter and has been granted relief. However, the company is awaiting the order giving effect to the same from the assessing officer.
31. The Company has evaluated the impact of the recent Supreme Court judgement in case of "Vivekananda Vidyamandir and Others V/s The regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by Employee's Provident Fund Organisation in relation to non- exclusion of certain allowance from the definition of "basic wages" of the relevant employees for the purposes of determining contribution provident fund under The Employees' Provident Funds & Miscellaneous Provisional 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.



**Forbes Bumi Armada Limited**

**Notes to the financial statements as at and for the year ended March 31, 2022 (continued)**

*(All amounts in Rs. hundreds, unless otherwise stated)*

**32. Additional regulatory information required by schedule III**

- i) Detail of benami property held  
The Company does not hold any benami property under the Benami Transaction (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder
- ii) Borrowing secured against current assets  
The Company has no borrowings from banks and financial institutions on the basis of security of current assets.
- iii) Wilful defaulter  
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- iv) Relationship with struck off companies  
The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.
- v) Compliance with number of layers of companies  
The Company does not have number of layers prescribed under the Companies Act, 2013.
- vi) Compliance with approved scheme(s) of arrangements  
The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- vii) Utilisation of borrowed funds and share premium  
The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiariesThe Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries
- viii) Undisclosed income  
There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix) Details of crypto currency or virtual currency  
The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- x) Valuation of PP&E, intangible asset and investment property  
The Company has not revalued its property, plant and equipment (including right of use asset) or intangible assets or both during the current or previous year.

**33.** There are no capital commitments for the year ended March 31, 2022 and March 31, 2021.

For **Price Waterhouse Chartered Accountants LLP**  
Firm Registration No. 012754N/N500016

**Priyanshu Gundana**  
Partner  
Membership Number: 109553

Place: Mumbai  
Date: **MAY 20, 2022**

For and on behalf of the Board of Directors

**Ravi Shankar**  
Director  
DIN: 02031400

Place: Mumbai  
Date: May 19, 2022

**V. Sethuraman**  
Director  
DIN: 05222601

**Kishore C.**



**FORBES CAMPBELL FINANCE LIMITED**  
(a wholly owned subsidiary)

**Financial Statements**  
**For the Year ended March 31, 2022**

## **INDEPENDENT AUDITOR'S REPORT**

### **To the Members of FORBES CAMPBELL FINANCE LIMITED Report on the Audit of the Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying Ind AS financial statements of **FORBES CAMPBELL FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 31, 2022, and its profit, changes in equity and its cash flows for the year ended on that date.

#### **Basis of 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 modified opinion.

#### **Information other than the Ind AS 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 Board's Report including Annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS 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 and Those Charged with Governance for the 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 Ind AS 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 Indian 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 Ind AS 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 Ind AS 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 it 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 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. 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.
- 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, make 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.

## **Other Matter**

- a. *The Financial statements of the Company for the year ended March 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on those dates.*

Our opinion is not modified in respect of these matters.

## **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 Ind 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)
    - a. On the basis of the written representations received from the management as on March 31, 2022, no funds have been advanced or loaned or invested by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding that the intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries.

- b. On the basis of the written representations received from the management as on March 31, 2022, no funds have been **received by the company** from any person(s) or entities including foreign entities ("Funding Parties") with the understanding that such company shall whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide guarantee, security or the like on behalf of the Ultimate beneficiaries.
- c. Based on the audit procedures performed, nothing has come to our notice that has caused us to believe that the below representations given by the management contain any material mis-statement.
- f) No dividend was declared/paid during the year by the Company, therefore question of compliance of section 123 of the Act does not arise.
- g) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) 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".
- i) 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 except those disclosed in 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.

3. 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, no remuneration has been paid by the Company to its directors during the year so the provisions of section 197 of the Act are not applicable.

**FOR U B G & Company**  
**CHARTERED ACCOUNTANTS**  
**FRN: 141076W**

**CA Gaurav J. Parekh**  
**Partner**  
**Membership No.: 140694**  
**Mumbai, Dated: 19<sup>th</sup> May, 2022**  
**UDIN: 22140694AJNADO7950**

**Annexure 'A' to the Independent Auditor's Report of FORBES CAMPBELL FINANCE LIMITED for the Year ended as on 31<sup>st</sup> March 2022**

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

- i. a. (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;  
  
(B) The Company has no intangible assets as on 31st March 2022. Therefore, the paragraph 3(i)(B) of the Order is not applicable to the Company.
  - b. The Property, Plant and Equipment have been physically verified by the Management at regular Intervals and no material discrepancies were noticed on such verification.
  - c. According to the information and explanation provided 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. 408,364 (net book value) are not available with the company and hence we are unable to comment on the same. However, property receipt of the particular immovable property issued by the local municipal corporation in the name of the company is available with the company.
- ii. As per the information and explanations given to us, there is no inventory in hand at any point of time during the year, hence paragraph 3(ii) of the Order is not applicable to the Company.
  - iii. According to the information and explanations given to us, the Company has granted unsecured loans to one body corporate in respect of which:
    - a) The Company has during the year provided advances in the nature of loans to any other entity:
      - A. The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans to subsidiaries, joint ventures and associates – Rs. 4,50,00,000 & Rs. 4,50,00,000 respectively
      - B. The aggregate amount during the year and the balance outstanding at the balance sheet date with respect to such loans to parties other than subsidiaries, joint ventures and associates – Nil
    - b) The investments made, guarantees provided, security given and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
    - c) *The schedule of repayment of principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;*



- d) *In the absence of stipulation with regard to repayment of principal and payment of interest, we are unable to comment on the overdue interest amounts for more than 90 days in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act, and whether reasonable steps have been taken by the company for recovery of the principal amount and interest.*
- e) As per information and explanation provided, no loan or advance in the nature of the loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f) The Company has granted loans amounting to Rs. 4,50,00,000 in the nature of loans repayable on demand which is 100% of the total loans granted during the year and aggregate amount of loans granted to promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013;
- iv. In our opinion and according to the information and explanations given to us, the Company has entered into transaction in respect of loans and investments complying with the provisions of section 185 and 186 of the Companies Act and rules framed thereunder.
- v. According to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits and 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 and the rules framed there under are not applicable to the Company. Therefore, the paragraph 3(v) of the order is not applicable to the company.
- vi. The Sub-section (1) of the Section 148 of the Companies Act, 2013 is not applicable to the Company, hence paragraph 3(vi) of the order is not applicable to the Company.
- vii.
- a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has been generally regular in depositing undisputed statutory dues including goods & service tax, provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year 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 31,2022 for a period of more than six months from date which 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:

<b>Nature of the Statute</b>	<b>Nature of the dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Due date</b>	<b>Date of payment</b>
Sales Tax Act	Sales Tax and interest thereon	15,69,598	FY 1993 to 2000	Various	Unpaid

- b) According to the information and explanation given to us, there are no dues of income tax, goods and service tax, duty of customs, value added tax, cess and any other statutory dues which have not been deposited on account of dispute except the followings:

<b>Nature of the Statute</b>	<b>Nature of the dues</b>	<b>Forum where Dispute is Pending</b>	<b>Period to which the amount relates</b>	<b>Amount (Rs.)</b>
Income Tax	Income Tax	Commissioner of Income Tax (Appeals)	FY 2003-04	1,54,89,390
Income Tax	Income Tax	Income Tax Appellate Tribunal	FY 2004-05	75,320
Income Tax	Income Tax	Income Tax Appellate Tribunal	FY 2007-08	1,90,459
Income Tax	Income Tax	Income Tax Appellate Tribunal	FY 2009-10	1,72,33,159
Madhya Pradesh sales Tax Act	Sales Tax Demand	Commercial Tax, Bhopal	FY 1997-98 to 1999-2000	10,09,077

- viii. As per information and explanation provided to us, there are no transactions being not recorded in the books of account and that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. The Company has not taken term loans from any lender during the year, hence paragraph 3(ix) of the order is not applicable to the Company.
- x. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and the term loan during the year. Hence reporting under this clause 3(x) of the order is not applicable to the Company.

- xi. According to the information and explanation given to us by the management which have been relied by us, there were no frauds on or by the Company noticed or reported during the period under audit.
- xii. The Company is not a Nidhi Company and hence clause 3 (xii) of the Order is not applicable to the Company.
- 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 sections 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. Internal audit is not applicable to the Company, therefore reporting under this clause is not applicable.
- 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 any 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.
- xvii. The company has incurred cash losses amounting to Rs. 23,808.28 thousand (Previous Year: Rs. 36,423.95 thousand) in the financial year.
- xviii. The Predecessor Auditors, M/s Batliboi & Purohit, Chartered Accountants tendered their resignation on July 20, 2021 due to pre-occupation and other professional commitments and the incoming auditor has considered the same during the audit.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

- xx. Section 135 of the Companies Act, 2013 regarding spending on CSR is not applicable to the Company. Therefore, reporting under the said clause is not applicable.

**FOR U B G & Company**  
**CHARTERED ACCOUNTANTS**  
**FRN: 141076W**

**CA Gaurav J. Parekh**  
**Partner**  
**Membership No.: 140694**  
**Mumbai, Dated: 19<sup>th</sup> May, 2022**  
**UDIN: 22140694AJNADO7950**

**ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT**  
**(Referred to in our Report 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, 2022 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 (the "Guidance Note"). 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 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 Ind AS 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 Ind AS 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 unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR U B G & Company**  
**CHARTERED ACCOUNTANTS**  
**FRN: 141076W**

**CA Gaurav J. Parekh**  
**Partner**  
**Membership No.: 140694**  
**Mumbai, Dated: 19<sup>th</sup> May, 2022**  
**UDIN: 22140694AJNADO7950**

**FORBES CAMPBELL FINANCE LIMITED**  
BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at	As at
		31st Mar., 2022 ₹ In Thousand	31st Mar., 2021 ₹ In Thousand
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	3	135.50	-
b Investment Property	4	408.36	431.20
<b>c Financial Assets:</b>			
i) <b>Investments</b>			
a) Investments in Subsidiaries	5	543.99	493.99
b) Investments in Associate	6	-	-
c) Investments in Joint Venture	7	28,056.40	28,056.40
d) Other Investments	8	10,44,962.80	2,86,961.67
		10,73,563.19	3,15,512.06
ii) Other financial assets	11A	10.00	10.00
		10,73,573.19	3,15,522.06
<b>d Tax assets</b>			
i) Current tax assets (net)	21	1,281.60	1,222.72
		1,281.60	1,222.72
<b>Total Non-current assets</b>		10,75,398.66	3,17,175.99
<b>2 Current assets</b>			
<b>a Financial Assets:</b>			
i) Trade receivables	9	54.00	138.75
ii) Cash and cash equivalents	12	1,119.83	384.78
iii) Loans	10B	-	-
iv) Other financial assets	11B	-	-
		1,173.83	523.53
b Other current assets	13	0.89	0.89
<b>Total Current assets</b>		1,174.72	524.42
		10,76,573.38	3,17,700.41
<b>Total Assets</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity share capital	14	38,641.31	38,641.31
b Other equity	15	6,85,069.98	1,17,373.21
<b>Total Equity</b>		7,23,711.29	1,56,014.52
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
<b>a Financial liabilities:</b>			
i) Borrowings	16	-	49,611.99
<b>Total Non-current liabilities</b>		-	49,611.99
<b>2 Current liabilities</b>			
<b>a Financial liabilities:</b>			
i) Borrowings	19	3,20,000.00	1,00,000.00
ii) Trade and other payables	20		
a) total outstanding dues of micro enterprises and small enterprises; and		56.65	56.65
b) total outstanding dues of creditors other than micro enterprises and small enterprises		-	9.26
iii) Other financial liabilities	17	29,563.65	8,928.72
		3,49,620.30	1,08,994.63
b Current tax liabilities (net)	21	1,432.48	1,432.49
c Other current liabilities	18	1,809.32	1,646.77
		3,52,862.10	1,12,073.90
<b>Total Current Liabilities</b>		3,52,862.10	1,12,073.90
<b>Total Liabilities</b>		3,52,862.10	1,61,685.89
<b>Total Equity and Liabilities</b>		10,76,573.38	3,17,700.41

See accompanying notes forming part of the financial statements 1 to 39

As per our report of even date

For **U B G & COMPANY**

Chartered Accountants

Firm Reg No: 141076W

**Gaurav Parekh**

Partner

Membership No.: 140694

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_

Mumbai, 19th May, 2022



**FORBES CAMPBELL FINANCE LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

<b>Particulars</b>	<b>Note No.</b>	<b>Year ended 31st Mar., 2022 ₹ In Thousand</b>	<b>Year ended 31st Mar., 2021 ₹ In Thousand</b>
I Revenue from operations	22	720.00	300.00
II Other income	23	1,285.59	610.05
<b>III Total Income (I + II)</b>		<b>2,005.59</b>	<b>910.05</b>
<b>IV Expenses:-</b>			
Finance cost	24	25,599.02	16,836.10
Depreciation and amortisation expense	25	28.97	22.84
Other expenses	26A	185.88	20,475.06
<b>Total expenses</b>		<b>25,813.86</b>	<b>37,334.00</b>
<b>V Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>(23,808.28)</b>	<b>(36,423.95)</b>
VI Exceptional items	26B	(46,147.32)	(1,96,565.60)
<b>VII Profit / (Loss) before tax (V + VI)</b>		<b>(69,955.59)</b>	<b>(2,32,989.55)</b>
<b>VIII Tax expense / (credit):</b>			
Current tax	27	-	-
Deferred tax	27	-	-
		-	-
<b>IX Profit / (Loss) for the period (VII - VIII)</b>		<b>(69,955.59)</b>	<b>(2,32,989.55)</b>
<b>X Other Comprehensive Income</b>			
<b>A (i) Items that will not be reclassified to profit or loss</b>			
a) Equity instruments through other comprehensive income		7,58,001.13	1,58,984.97
<b>Total Other Comprehensive Income</b>		<b>7,58,001.13</b>	<b>1,58,984.97</b>
<b>XI Total Comprehensive Income for the period (IX + X)</b>		<b>6,88,045.54</b>	<b>(74,004.58)</b>
<b>XII Earning per equity share :</b>			
Basic and diluted earnings per equity share	28	₹ (18.10)	₹ (60.30)
<b>See accompanying notes forming part of the financial statements</b>	<b>1 to 39</b>		

As per our report of even date

**For U B G & COMPANY**

Chartered Accountants

Firm Reg No: 141076W

**Gaurav Parekh**

Partner

Membership No.: 140694

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

# FORBES CAMPBELL FINANCE LIMITED

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

	Year ended 31st Mar., 2022 ₹ In Thousand	Year ended 31st Mar., 2021 ₹ In Thousand
<b>Cash flows from operating activities</b>		
<b>Profit before</b>	<b>(69,955.59)</b>	<b>(2,32,989.55)</b>
<b>Adjustments for -</b>		
Finance costs recognised in profit or loss	25,599.02	16,836.10
Depreciation and amortisation of non-current assets	28.97	22.84
Interest Income	(1,274.80)	(561.93)
Impairment of Investment in Associate	-	1,95,929.15
Prov for doubtful loans and advances	45,000.00	-
Prov for Interest Accrued on Inter Corporate Deposit	1,147.32	636.45
Provision for doubtful deposits/income tax assets	-	20,243.09
Advances /Other deposits written off	-	10.00
Credit balances / excess provision written back	-	(48.12)
	<b>70,500.51</b>	<b>2,33,067.57</b>
<b>Operating profit / (loss) before working capital changes</b>	<b>544.91</b>	<b>78.02</b>
<b>Movements in working capital:</b>		
Decrease / (increase) in trade receivables and other receivables	84.75	(88.75)
(Increase)/decrease in other assets	-	48.12
Increase / (decrease) in trade payables and other payables	20,625.66	(3,903.76)
Increase / (decrease) in other liabilities	162.54	(351.27)
	<b>20,872.96</b>	<b>(4,295.65)</b>
<b>Cash generated from / (used in) operations</b>	<b>21,417.87</b>	<b>(4,217.63)</b>
Income taxes paid (net of refunds)	<b>68.60</b>	<b>(61.93)</b>
<b>(a) Net cash generated from / (used in) operating activities</b>	<b>21,486.47</b>	<b>(4,279.56)</b>
<b>Cash flows from investing activities:</b>		
Purchase of fixed assets (including adjustments on account of capital work-in-progress and capital advances)	(141.64)	-
Proceeds from sale of fixed assets	(50.00)	-
Inter-corporate deposits placed with related parties	(45,000.00)	-
Inter-corporate deposits refunded by related parties	-	2,200.00
Interest received	-	330.63
<b>(b) Net cash generated from / (used in) investing activities</b>	<b>(45,191.64)</b>	<b>2,530.63</b>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	2,20,000.00	-
Repayment of borrowings	(1,72,675.00)	-
Increase / (decrease) in cash credit and packing credit	-	-
Interest paid	(22,884.78)	(2,823.65)
<b>(c) Net cash generated from / (used in) financing activities</b>	<b>24,440.22</b>	<b>(2,823.65)</b>
<b>(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>	<b>735.05</b>	<b>(4,572.58)</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>384.78</b>	<b>4,957.36</b>
<b>(f) Cash and cash equivalents as at the end of the year</b>	<b>1,119.83</b>	<b>384.78</b>

See accompanying notes forming part of the financial statements

1 to 39

As per our report of even date

For **U B G & COMPANY**

Chartered Accountants

Firm Reg No: 141076W

**Gaurav Parekh**

Partner

Membership No.: 140694

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

**FORBES CAMPBELL FINANCE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued**
**Statement of changes in equity for the year ended 31st March, 2022**

A. Equity share capital	No. of Shares	Amount
		₹
Balance at 31st March, 2020	3,864	38,641
Changes in equity share capital during the year	-	-
Balance at 31st March, 2021	3,864	38,641
Changes in equity share capital during the period	-	-
Balance at 31st March, 2022	<u>3,864</u>	<u>38,641</u>

**B. Other Equity**

₹ In Thousand

	Attributable to Owners							Items Of Other Comprehensive Income	Total Other Equity	
	Reserves and surplus						Reserve for equity instruments through other			Total
	Amalgamation reserve	Securities premium reserve	Retained earnings	Capital Redemption Reserve	Equity Component in Debentures issued	Total				
Balance at 31st March, 2020	204.06	3,00,071.70	(4,09,746.39)	7,500.00	1,68,626.40	66,655.77	1,24,722.01	1,91,377.78		
Profit / (Loss) for the year	-	-	(2,32,989.53)	-	-	(2,32,989.53)	-	(2,32,989.53)		
Net fair value gain / (loss) on investments in equity instruments at FVTOCI	-	-	-	-	-	-	1,58,984.97	1,58,984.97		
Balance at 31st March, 2021	204.06	3,00,071.70	(6,42,735.93)	7,500.00	1,68,626.40	(1,66,333.76)	2,83,706.98	1,17,373.22		
Profit / (Loss) for the year	-	-	(69,956)	-	-	(69,956)	-	(69,956)		
Net fair value gain / (loss) on investments in equity instruments at FVTOCI	-	-	-	-	(1,20,349)	(1,20,349)	7,58,001	6,37,652		
Balance at 31st March, 2022	<u>204</u>	<u>3,00,072</u>	<u>(7,12,692)</u>	<u>7,500</u>	<u>48,278</u>	<u>(3,56,638)</u>	<u>10,41,708</u>	<u>6,85,070</u>		

See accompanying notes forming part of the financial statements 1 to 39

As per our report of even date  
For **U B G & COMPANY**  
Chartered Accountants  
Firm Reg No: 141076W

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

**Gaurav Parekh**

Partner

Membership No.: 140694

Mumbai, 19th May, 2022

Mumbai, 19th May, 2022

# FORBES CAMPBELL FINANCE LIMITED

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

### 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].

#### 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.

# FORBES CAMPBELL FINANCE LIMITED

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

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.

# FORBES CAMPBELL FINANCE LIMITED

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

### 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.

# FORBES CAMPBELL FINANCE LIMITED

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

### 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

#### As a lessee:

From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non lease components. The Company allocates the consideration in the contracts to the lease and non-lease components based on their relative standalone prices. However, the Company has elected not to separate lease and non-lease components and instead account for these as a single lease components.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in substances fixed payments), less any lease incentive
- the exercise price of the purchase option if the Company is reasonably certain to
- payments of penalties for terminating the lease, if the lease term reflects the Company

Lease payments to be made under reasonably certain extension option are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rate, being the rate that lessee would have to pay to borrow the fund necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar term, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third party financing received by the lessee as a starting point, adjusted to reflects changes in financing condition since third party financing
- use a build-up approach that starts with the risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and
- make adjustments specific to the leases, e.g. term, security, currency etc.

The Company is exposed to potential future increases in variable lease payments based on index or rate, which are not included in the lease liability until they take effect. When adjustment to lease payments based on index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. Finance cost is charged to Statement of Profit and Loss over the lease period so as to produce a constant periodical rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis. If the Company is reasonably certain to exercise purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognized on a straight-line basis in the Statement of Profit and Loss. Short term leases are leases with a lease term of 12 months or less. Low value asset comprise equipments.

#### As a lessor:

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating leases are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as a lessor as a result of adopting the new leasing standard.

# FORBES CAMPBELL FINANCE LIMITED

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

### 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.

### Recent amendments to Indian Accounting Standards:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

#### i) Ind AS 103 - Business Combinations

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

#### ii) Ind AS 107 - Financial Instruments: Disclosures

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

#### iii) Ind AS 109 - Financial Instruments

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

#### iv) Ind AS 116 - Leases

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

#### v) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS)

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

#### vi) Standards issued but not yet effective

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.



## FORBES CAMPBELL FINANCE LIMITED

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

### 3. Property, plant and equipment

Current Year

₹ In Thousand

Particulars	Cost or deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April, 2021	Additions	Disposals	Balance as at 31st Mar., 2022	Balance as at 1st April, 2021	Eliminated on disposals of assets	Depreciation expense	Balance as at 31st Mar., 2022	Balance as at 31st Mar., 2022
<b>Property plant and equipment</b>									
Office equipments	0.15	144.86	-	145.00	0.15	-	144.86	145.00	-
Furniture and fixtures	0.10	244.13	-	244.24	0.10	-	108.63	108.73	135.50
<b>Subtotal</b>	<b>0.25</b>	<b>388.99</b>	<b>-</b>	<b>389.24</b>	<b>0.25</b>	<b>-</b>	<b>253.48</b>	<b>253.73</b>	<b>135.50</b>
<b>Total</b>	<b>0.25</b>	<b>388.99</b>	<b>-</b>	<b>389.24</b>	<b>0.25</b>	<b>-</b>	<b>253.48</b>	<b>253.73</b>	<b>135.50</b>

Previous Year

₹ In Thousand

Particulars	Cost or Deemed cost				Accumulated depreciation and impairment				Carrying Amount
	Balance as at 1st April, 2020	Additions	Disposals	Balance as at 31st Mar., 2021	Balance as at 1st April, 2020	Eliminated on disposals of assets	Depreciation expense	Balance as at 31st Mar., 2021	Balance as at 31st Mar., 2021
<b>Property plant and equipment</b>									
Office equipments	145.00	(0.14)	-	0.15	145.00	-	(0.14)	0.15	-
Furniture and fixtures	102.60	(0.10)	-	0.10	102.60	-	(0.10)	0.10	-
<b>Subtotal</b>	<b>247.60</b>	<b>(0.25)</b>	<b>-</b>	<b>0.25</b>	<b>247.60</b>	<b>-</b>	<b>(0.25)</b>	<b>0.25</b>	<b>-</b>
<b>Total</b>	<b>247.60</b>	<b>(0.25)</b>	<b>-</b>	<b>0.25</b>	<b>247.60</b>	<b>-</b>	<b>(0.25)</b>	<b>0.25</b>	<b>-</b>

# FORBES CAMPBELL FINANCE LIMITED

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

### 4. Investment property

₹ In Thousand

	As at 31st Mar., 2022	As at 31st Mar., 2021
Completed investment properties	408.36	431.20
<b>Total</b>	<b>408.36</b>	<b>431.20</b>

Cost or Deemed Cost	As at 31st Mar., 2022	As at 31st Mar., 2021
Balance at beginning of year	1,331.69	1,331.69
Additions	-	-
<b>Balance at end of period</b>	<b>1,331.69</b>	<b>1,331.69</b>

Accumulated depreciation and impairment	As at 31st Mar., 2022	As at 31st Mar., 2021
Balance at beginning of year	900.49	877.65
Add :- Depreciation for the period	(79.66)	22.84
<b>Balance at end of period</b>	<b>923.33</b>	<b>900.49</b>

Carrying amount	As at 31st Mar., 2022	As at 31st Mar., 2021
Balance at beginning of year	431.20	454.04
Additions	-	-
Disposals	-	-
Depreciation expense	(79.66)	22.84
<b>Balance at end of period</b>	<b>510.86</b>	<b>431.20</b>

All of the Company's investment properties are held under freehold interests.

#### 4.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at March 31, 2022 and as at March 31, 2021 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, 2022 and 31st March, 2021 are as follows:

Particulars	Level 3	Fair value as at 31st Mar., 2022
Office Units located in India- Pune City	16,000.00	16,000.00
<b>Total</b>	<b>16,000.00</b>	<b>16,000.00</b>

Particulars	Level 3	Fair value as at 31st Mar., 2021
Office Units located in India- Pune City	15,300.00	15,300.00
<b>Total</b>	<b>15,300.00</b>	<b>15,300.00</b>

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.

#### 4.2 Note on Investment property direct expenses included in other expenses:-

	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Direct operating expenses arising from investment property that generated rental income during the year	65,320.00	65,908.00
Direct operating expenses arising from investment property that did not generate rental income during the year	-	-
<b>Total</b>	<b>65,320.00</b>	<b>65,908.00</b>

## FORBES CAMPBELL FINANCE LIMITED

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

### 5. Investments in Subsidiaries at cost

#### Non Current Investments

₹ In Thousand

particulars	As at		As at	
	31st Mar., 2022		31st Mar., 2021	
	Qty	Amount	Qty	Amount
<b>In subsidiary companies at cost</b>				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Campbell Services Ltd.	50,000	543.99	49,000	493.99
<b>TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)</b>	<b>50,000</b>	<b>543.99</b>	<b>49,000</b>	<b>493.99</b>
Aggregate amount of impairment in value of investments (B)		-		-
<b>TOTAL INVESTMENTS (A) - (B)</b>		<b>543.99</b>		<b>493.99</b>

### 6. Investment in associates at cost

₹ In Thousand

particulars	As at		As at	
	31st Mar., 2022		31st Mar., 2021	
	Qty	Amount	Qty	Amount
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Technosys Ltd. (Refer Note 36)	2,18,97,200	2,17,826.35	1,18,97,200	2,17,826.35
2. Equity component in Financial Guarantee given to Forbes Technosys Limited	-	471.43	-	471.43
<b>TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)</b>	<b>2,18,97,200</b>	<b>2,18,297.78</b>	<b>1,18,97,200</b>	<b>2,18,297.78</b>
Aggregate amount of impairment in value of investments (B)		2,18,297.78		2,18,297.78
<b>TOTAL INVESTMENTS (A) - (B)</b>		<b>-</b>		<b>-</b>

### 7. Investment in joint venture at cost

₹ In Thousand

particulars	As at		As at	
	31st Mar., 2022		31st Mar., 2021	
	Qty	Amount	Qty	Amount
<b>In joint venture company</b>				
Unquoted Investments (all fully paid)				
Equity Instruments				
1. Equity shares of ₹ 10 each in Forbes Bumi Armada Ltd.	28,05,000	28,056.40	28,05,000	28,056.40
<b>TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)</b>	<b>28,05,000</b>	<b>28,056.40</b>	<b>28,05,000</b>	<b>28,056.40</b>
Aggregate amount of impairment in value of investments (B)		-		-
<b>TOTAL INVESTMENTS (A) - (B)</b>		<b>28,056.40</b>		<b>28,056.40</b>

## FORBES CAMPBELL FINANCE LIMITED

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

#### 8. Other investments

##### 8A. Other Non Current Investments

₹ In Thousand

particulars	As at 31st Mar., 2022		As at 31st Mar., 2021	
	Qty	Amount	Qty	Amount
<b>8.1A. Quoted Investments (all fully paid) at fair value through OCI</b>				
<b>In Holding Company</b>				
<b>Equity Instruments</b>				
1. Equity shares of ₹ 10 each in Forbes & Company Ltd. ( Refer Note 2)	1,66,398	68,289.74	1,66,398	2,86,961.67
<b>TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)</b>	<b>1,66,398</b>	<b>68,289.74</b>	<b>1,66,398</b>	<b>2,86,961.67</b>
<b>8.2A. Quoted Investments (all fully paid) at fair value through OCI</b>				
<b>In Fellow subsidiary</b>				
<b>Equity Instruments</b>				
1. Equity shares of ₹ 10 each in Eureka Forbes Ltd. ( Refer Note 2)	24,95,970	9,76,673.06	-	-
<b>TOTAL AGGREGATE OF UNQUOTED INVESTMENTS (A)</b>	<b>24,95,970</b>	<b>9,76,673.06</b>	<b>-</b>	<b>-</b>
<b>8.3A. Unquoted Investments (all fully paid) at fair value through P&amp;L</b>				
<b>In Other entities</b>				
<b>Equity Instruments</b>				
1. Equity shares of ₹ 10 each in The Svadeshi Mills Co. Ltd.	13,49,260	13,492.60	13,49,260	13,492.60
2. Equity shares of ₹ 10 each in Forbes Edumetry Ltd (Refer Note 1 below)	16,56,000	14,436.12	16,56,000	14,436.12
<b>TOTAL AGGREGATE QUOTED INVESTMENTS (B)</b>	<b>30,05,260</b>	<b>27,928.72</b>	<b>30,05,260</b>	<b>27,928.72</b>
<b>TOTAL INVESTMENTS (A) + (B)</b>	<b>31,71,658</b>	<b>10,72,892</b>	<b>31,71,658</b>	<b>3,14,890</b>
<b>Less : Aggregate amount of impairment in value of investments (C)</b>		<b>27,928.72</b>		<b>27,928.72</b>
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B) - (C)</b>		<b>10,44,962.80</b>		<b>2,86,961.67</b>
<b>Aggregate market value of quoted investments</b>		<b>10,46,809.82</b>		<b>2,61,810.61</b>

##### 8.4A. Category-wise other investments – as per Ind AS 109 classification

₹ In Thousand

Particulars	As at	
	31st Mar., 2022	31st Mar., 2021
<b>Financial assets carried at fair value through profit or loss (FVTPL)</b>		
Equity Instrument	27,928.72	27,928.72
Less:- Impairment in value of investments	27,928.72	27,928.72
	<b>0.00</b>	<b>0.00</b>
<b>Financial Assets measured at FVTOCI (Debt instruments and equity investments)</b>		
Equity instruments	10,44,963	2,86,962
	<b>10,44,963</b>	<b>2,86,962</b>
<b>TOTAL</b>	<b>10,44,963</b>	<b>2,86,962</b>

#### Note :

- Forbes Edumetry Limited, a subsidiary, has initiated voluntary winding up under section 500 and other applicable sections of the Companies Act, 1956. Consequently, the Company does not have any significant influence or control over Forbes Edumetry Limited and therefore it is being reclassified from subsidiary to other investment. Further, Investments made in Forbes Edumetry Limited are fully provided.
- A composite scheme of arrangement is entered between Forbes & Company Limited ("FCL"), Eureka Forbes Limited ("EFL") and subsidiaries of Eureka Forbes Limited ("EFL") being Forbes Enviro Solutions Limited ("FESL"), Aquaignis Technologies Private Limited ("ATPL"), Euro Forbes Financial Services Limited ("EFFSL") and their respective shareholders ("Scheme") was filed with Hon'ble National Company Law Tribunal ("NCLT") Mumbai Bench after approval of Board of Directors of the respective companies on September 8, 2020. Upon the scheme being effective and pursuant to provisions of the scheme, the name of EFL shall be changed from " Forbes Enviro Solutions Limited" to "Eureka Forbes Limited". The Demerger and the consequent allotment of shares of FESL to the company shall be completed upon inter alia the approval of the scheme by NCLT and the completion/satisfaction of other procedures. Thereafter, the shares issued and allotted by FESL shall be listed on the relevant stock exchange.

Pursuant to order dated 25th January, 2022 of the Hon'ble NCLT, Mumbai Bench, the composite scheme of merger was approved and in consideration, 15 fully paid up equity shares of ₹ 10/- each of EFL were allotted to the equity share holders of Forbes & Company Limited against 1 equity share of ₹ 10/- each held by them in Forbes & Company Limited.

# FORBES CAMPBELL FINANCE LIMITED

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

### 9. Trade receivables

#### Trade receivables- Current

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Trade receivables</b>		
a) Considered Good- Billed	-	-
b) Considered Good- unbilled	-	-
c) Related Parties	54.00	138.75
b) Disputed	-	-
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>54.00</b>	<b>138.75</b>

#### Trade receivables- Ageing schedule

Range of O/s period	As at 31st Mar, 2022	As at 31st Mar, 2021
<b>Undisputed Trade receivables:</b>		
Unbilled	-	-
Not Due	-	-
Less than 6 months	54.00	138.75
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
>3 years	-	-
<b>Total</b>	<b>54.00</b>	<b>138.75</b>

### 10. Loans / Advances

#### 10A. Loans / Advances - Non Current

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Loans and advances to others</b>		
- Considered Good	-	-
- Disputed	3,953.95	3,953.95
Less : Allowance for doubtful advances	3,953.95	3,953.95
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Total ( a + b)</b>	<b>-</b>	<b>-</b>

#### 10B Loans / Advances - Current

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Inter-Corporate Deposits to related parties</b>		
- Unsecured, considered good	-	-
- Doubtful	45,000.00	-
Less : Allowance for bad and doubtful loans	45,000.00	-
<b>Total</b>	<b>-</b>	<b>-</b>

# FORBES CAMPBELL FINANCE LIMITED

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

### Details of loans and advances in nature of loans granted to promoters, directors, key managerial personnel and related parties

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) amounts repayable on demand		
- Promoters	-	-
- Directors	-	-
- Key Managerial Personnel	-	-
- Other related parties	-	-
b) without specifying any terms or period of repayment		
- Promoters	-	-
- Directors	-	-
- Key Managerial Personnel	-	-
- Other related parties	-	-
<b>Total</b>	<b>45,000</b>	<b>-</b>

### 11. Other financial assets

#### 11A. Other financial assets - Non current

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) <b>Security deposits</b>		
- Unsecured, considered good	10.00	10.00
- Doubtful	18.00	18.00
Less : Allowance for bad and doubtful loans	18.00	18.00
<b>Total</b>	<b>10.00</b>	<b>10.00</b>

#### 11B. Other financial assets - Current

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) <b>Accruals:</b>		
i) Interest accrued on deposits with bank	-	-
ii) Interest accrued on loans to related parties	-	-
iii) Interest accrued on Loan given to related parties- Doubtful	1,783.76	636.45
Less : Allowance for bad and doubtful loans	1,783.76	636.45
<b>Total (a)</b>	<b>-</b>	<b>-</b>

## FORBES CAMPBELL FINANCE LIMITED

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

#### 12. 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	₹ In Thousand
	31st Mar., 2022	As at 31st Mar., 2021
<b>Balances with Banks</b>		
a) In current accounts	1,119.83	384.78
b) Deposits accounts (with original maturity upto 3 months)	-	-
	<b>1,119.83</b>	<b>384.78</b>
<b>Cash and cash equivalents as per balance sheet</b>	<b>1,119.83</b>	<b>384.78</b>

#### 13. Other assets

##### Other assets - Current

Particulars	As at	₹ In Thousand
	31st Mar., 2022	As at 31st Mar., 2021
a) Advances for supply of goods and services		
- Unsecured, considered good	0.89	0.89
- Doubtful	-	-
Less : Allowance for doubtful advances	-	-
<b>Total</b>	<b>0.89</b>	<b>0.89</b>

## FORBES CAMPBELL FINANCE LIMITED

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

### 14. Equity Share Capital

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Equity shares of ₹ 10 each	38,641.31	38,641.31
<b>Total</b>	<b>38,641.31</b>	<b>38,641.31</b>
<b>Authorised Share capital :</b>		
46,14,200 fully paid equity shares of ₹ 10 each	46,142.00	46,142.00
<b>Issued and subscribed capital comprises:</b>		
38,64,131 fully paid equity shares of ₹ 10 each (Previous year : 38,64,131)	38,641.31	38,641.31
	<b>38,641.31</b>	<b>38,641.31</b>

#### 14. 1 Fully paid equity shares

Particulars	Number of shares	Share capital (Amount)
Balance at March 31, 2020	3,864.13	38,641.31
Movements	-	-
Balance at March 31, 2021	3,864.13	38,641.31
Movements	-	-
Balance at March 31, 2022	<b>3,864.13</b>	<b>38,641.31</b>

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

#### 14. 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., 2022	As at 31st Mar., 2021
Balance at the beginning of the period	38,64,131	38,64,131
The holding company	-	-
<b>Total</b>	<b>38,64,131</b>	<b>38,64,131</b>

#### 14. 3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31st Mar., 2022		As at 31st Mar., 2021	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<b>Fully paid equity shares</b>				
Forbes & Company Limited	38,64,131	100.00	38,64,131	100.00
<b>Total</b>	<b>38,64,131</b>	<b>100.00</b>	<b>38,64,131</b>	<b>100.00</b>



## FORBES CAMPBELL FINANCE LIMITED

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

### 15. Other equity

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Amalgamation reserve	204.06	204.06
b) Securities premium reserve	3,00,071.70	3,00,071.70
c) Reserve for equity instruments through other comprehensive income	10,41,708.11	2,83,706.98
d) Retained earnings	(7,12,691.52)	(6,42,735.94)
e) Capital redemption reserve	7,500.00	7,500.00
f) Equity Component in Debentures issued	48,277.63	1,68,626.40
<b>Total</b>	<b>6,85,069.98</b>	<b>1,17,373.20</b>

Particulars	₹ In Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>15.1 Amalgamation reserve</b>		
Balance at beginning of the year	204.06	204.06
Movements	-	-
<b>Balance at end of the year</b>	<b>204.06</b>	<b>204.06</b>
<b>15.2 Securities premium reserve</b>		
Balance at beginning of the year	3,00,071.70	3,00,071.70
Movements	-	-
<b>Balance at end of the year</b>	<b>3,00,071.70</b>	<b>3,00,071.70</b>
<b>15.3 Reserve for equity instruments through other comprehensive income</b>		
Balance at beginning of year	2,83,706.98	1,24,722.01
Net fair value gain / (loss) on investments in equity instruments at FVTOCI	7,58,001.13	1,58,984.97
<b>Balance at end of the year</b>	<b>10,41,708.11</b>	<b>2,83,706.98</b>
<b>15.4 Retained earnings</b>		
Balance at beginning of year	(6,42,735.93)	(4,09,746.39)
Profit / (loss) attributable to owners of the Company	(69,955.59)	(2,32,989.55)
<b>Balance at end of the year</b>	<b>(7,12,691.52)</b>	<b>(6,42,735.94)</b>
<b>15.5 Capital redemption reserve</b>		
Balance at beginning of the year	7,500.00	7,500.00
Movements	-	-
<b>Balance at end of the year</b>	<b>7,500.00</b>	<b>7,500.00</b>
<b>15.6 Equity Component in Debentures issued</b>		
Balance at beginning of the year	1,68,626.40	1,68,626.40
Movements	(1,20,348.78)	-
<b>Balance at end of the year</b>	<b>48,277.63</b>	<b>1,68,626.40</b>
<b>Total</b>	<b>6,85,069.98</b>	<b>1,17,373.20</b>

# FORBES CAMPBELL FINANCE LIMITED

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

### 16. Non-current Borrowings

Particulars	₹ In Thousand	
	Non-current portion	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Unsecured – at amortised cost</b>		
(a) <b>0.1% unsecured optionally convertible redeemable debentures</b>	-	49,611.99
[Nil (Previous Year: 1,72,67,500) Debentures of ₹ 10/- each]		
(Refer Footnote)	-	-
	-	49,611.99
<b>Total Non-current borrowings</b>	-	49,611.99

#### Footnote:

##### During previous period, details regarding terms of repayment of Debentures:

- The debentures shall carry interest @ 0.1 % p.a. payable annually.
- 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 allotted 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.

### 17. Other financial liabilities

#### Other financial liabilities - Current

Particulars	₹ In Thousand	
	As at	
	31st Mar., 2022	31st Mar., 2021
a) Interest accrued but not due on Inter-corporate deposits from Related party	29,563.65	8,859.73
b) Interest accrued but not due on borrowings (debentures)	-	69.00
c) Others :-	-	-
- Security deposits	-	-
<b>Total</b>	<b>29,563.65</b>	<b>8,928.72</b>

### 18. Other current liabilities

Particulars	₹ In Thousand	
	As at	
	31st Mar., 2022	31st Mar., 2021
a) Statutory remittances	1,809.32	1,646.77
<b>Total</b>	<b>1,809.32</b>	<b>1,646.77</b>

# FORBES CAMPBELL FINANCE LIMITED

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

### 19. Current Borrowings

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Unsecured - at amortised cost</b>		
a) Inter-corporate deposits from related party	3,20,000.00	1,00,000.00
<b>Total</b>	<b>3,20,000.00</b>	<b>1,00,000.00</b>

- Amounts repayable to related parties of the Group. Interest of 11.50% per annum is charged on the outstanding loan balances.

### 20. Trade payables

Particulars	As at 31st Mar., 2022	₹ In Thousand As at 31st Mar., 2021
Micro and small enterprises	56.65	56.65
Others	-	9.26
<b>Total</b>	<b>56.65</b>	<b>65.91</b>

Payable to Micro and small enterprises represents the principal amount. There is no interest due / accrued / paid / payable during the year. The figures for the year ending 31 March 2022 have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

#### Trade Payable Ageing Schedule

Range of O/s period	As at 31st Mar., 2022	₹ In Thousand As at 31st Mar., 2021
Unbilled	56.65	56.65
Not due	-	-
Less than 1 year	-	9.26
1-2 year	-	-
2-3 year	-	-
>3 year	-	-
<b>Total</b>	<b>56.65</b>	<b>65.91</b>

### 21. Current tax assets and liabilities

Particulars	As at 31st Mar., 2022	₹ In Thousand As at 31st Mar., 2021
<b>Current tax assets</b>		
Tax refund receivable	1,281.60	1,222.72
	<b>1,281.60</b>	<b>1,222.72</b>
<b>Current tax liabilities</b>		
Income tax payable	1,432.48	1,432.49
	<b>1,432.48</b>	<b>1,432.49</b>
Current Tax Assets (current portion)	-	-
Current Tax Assets (non-current portion)	1,282	1,223

## FORBES CAMPBELL FINANCE LIMITED

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

#### 22. Revenue from operations

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) <b>Operating revenues</b>		
i) Rent and amenities	720.00	300.00
<b>Total</b>	<b>720.00</b>	<b>300.00</b>

#### 23. Other Income

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>Interest income earned on financial assets that are not designated at fair value through profit or loss:</b>		
a) <b>Interest Income</b>		
i) Inter-corporate deposit	1,274.80	561.93
ii) Income Tax refund	10.79	-
<b>Total (a)</b>	<b>1,285.59</b>	<b>561.93</b>
b) <b>Other Non-Operating Income (Net of expenses directly attributable to such income)</b>		
i) <b>Others</b>		
Credit balances / excess provision written back	-	48.12
<b>Total (b)</b>	<b>-</b>	<b>48.12</b>
<b>Total (a+b)</b>	<b>1,285.59</b>	<b>610.05</b>

#### 24. Finance costs

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
(a) <b>Interest costs :-</b>		
i) Interest on loans from related parties (debentures)	83.27	172.68
ii) Interest on loans from related parties (ICD)	22,801.52	11,500.00
iii) Other interest expense	-	2.62
<b>Total (a)</b>	<b>22,884.78</b>	<b>11,675.30</b>
iv) Notional Interest on Debentures from related parties	2,714.23	5,160.80
<b>Total</b>	<b>25,599.02</b>	<b>16,836.10</b>

#### 25. Depreciation and amortisation expense

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Depreciation of investment property	28.97	22.84
<b>Total</b>	<b>28.97</b>	<b>22.84</b>

# FORBES CAMPBELL FINANCE LIMITED

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

### 26. A. Other expenses

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>a) Repairs to :</b>		
i) Buildings	45.60	44.82
ii) Others	-	5.00
	<u>45.60</u>	<u>49.82</u>
Rates and taxes (excluding taxes on income)	50.75	78.75
Legal and professional charges	43.69	42.29
Advances /Other deposits written off	-	10.00
Provision for doubtful deposits/income tax assets	-	20,243.09
Miscellaneous expenses	4.53	3.50
<b>Total (a)</b>	<u><b>144.58</b></u>	<u><b>20,427.46</b></u>
<b>b) Audit Fees</b>		
i) For statutory audit	41.30	47.60
ii) For other services	-	-
<b>Total (b)</b>	<u><b>41.30</b></u>	<u><b>47.60</b></u>
<b>Total (a+b)</b>	<u><b>185.88</b></u>	<u><b>20,475.06</b></u>

### 26. B. Exceptional items

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Impairment of Investment in Associate	-	(1,95,929.15)
b) Provision for ICD Loan	(45,000.00)	-
c) Prov for Interest Accrued on ICD -RP - Doubtfull	(1,147.32)	(636.45)
	<u><b>(46,147.32)</b></u>	<u><b>(1,96,565.60)</b></u>

### 27. Income taxes relating to operations

#### 27.1 Income tax recognised in profit or loss

Particulars	₹ In Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>Current tax</b>		
In respect of the current year	-	-
	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
	-	-
	<u>-</u>	<u>-</u>
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<u><b>-</b></u>	<u><b>-</b></u>

# FORBES CAMPBELL FINANCE LIMITED

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

### 28. Earnings per share

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
	₹ per share	₹ per share
Basic earnings per share	(18.10)	(60.30)
Diluted earnings per share	(18.10)	(60.30)

### 28.1. Earnings per share ( EPS)

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Profit/(loss) for the year attributable to owners of the Company (A)	(69,956)	(2,32,990)
Weighted average number of equity shares for the purposes of basic earnings per share (B)	3,864	3,864
<b>Basic and Diluted Earnings per share (A/B)</b>	<b>(18.10)</b>	<b>(60.30)</b>

# FORBES CAMPBELL FINANCE LIMITED

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

### 29. Contingent liabilities

₹ In Thousand

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
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.	15,000.00	15,000.00
Income Tax matters in dispute under appeal.	32,988.33	32,988.33
Sales Tax Demands by the Madhya Pradesh Sales Tax Authorities for the year 1997-98, 1998-99 and 1999-00.	1,009.08	1,009.08

### 30. Operating Lease: Company as lessor

The company has given the licensed premises on operating lease basis, the details of which are as follows:

₹ In Thousand

Class of Asset	As at 31st Mar., 2022	As at 31st Mar., 2021
Gross carrying Amount	1,331.69	1,331.69
Accumulated Depreciation	923.33	900.49
Depreciation for the year	(79.66)	22.84

# FORBES CAMPBELL FINANCE LIMITED

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

### 31. (a) Related party disclosures

#### Current Year

#### (a) Name of the Related Parties and Description of Relationship:

<b>Nature of Relationship</b>	<b>Name of entity</b>	<b>Abbreviation used</b>
<b>A</b> Ultimate Holding Company / Holding Company	1 Shapoorji Pallonji and Company Private Limited	SPCL
	2 Forbes & Company Limited	F&CL
<b>B</b> Subsidiary Companies	1 Forbes Campbell Services Limited	FCSL
<b>C</b> Fellow Subsidiaries (where there are transactions)	1 Forbes Technosys Limited	FTL
	2 Shapoorji Pallonji Forbes Shipping Limited	SPFSL
	3 Volkart Fleming Shipping & Services Limited	VFSSL
	4 Eureka Forbes Limited	EFL
<b>D</b> Joint Venture	1 Forbes Bumi Armada Limited	FBAL

#### Previous Year

<b>Nature of Relationship</b>	<b>Name of entity</b>	<b>Abbreviation used</b>
<b>A</b> Ultimate Holding Company / Holding Company	1 Shapoorji Pallonji and Company Private Limited	SPCL
	2 Forbes & Company Limited	F&CL
<b>B</b> Subsidiary Companies	1 Forbes Campbell Services Limited	FCSL
<b>C</b> Fellow Subsidiaries (where there are transactions)	1 Forbes Technosys Limited	FTL
	2 Shapoorji Pallonji Forbes Shipping Limited	SPFSL
<b>D</b> Joint Venture	1 Forbes Bumi Armada Limited	FBAL



**FORBES CAMPBELL FINANCE LIMITED**

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

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

Current Year

₹ In Thousand

**(b) transactions / balances with above mentioned related parties**

		A		Parties in A above	Parties in B above	C		C		Parties in C above	Total
		Shapoorji Pallonji and Company Pvt. Ltd.	Forbes & Company Ltd.			Volkart Fleming Shipping & Services Ltd.	Forbes Technosys Ltd.	Eureka Forbes Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.		
	<b>Nature of Transaction Balances</b>										
1	Trade Receivables	-	54.00	54.00	-	-	-	-	-	-	54.00
2	Interest accrued but not due on ICD-RP	19,394.04	-	19,394.04	-	-	-	-	10,169.61	10,169.61	29,563.65
3	Interest accrued on investment / loan given	-	-	-	-	-	1,783.76	-	-	1,783.76	1,783.76
4	Prov for Doubtful Deposits (incl. Interest Accr. on ICD -RP)	-	-	-	-	-	46,783.76	-	-	46,783.76	46,783.76
5	Deposits Receivable	-	-	-	-	-	45,000.00	-	-	45,000.00	45,000.00
6	Deposits Payable	1,00,000.00	-	1,00,000.00	-	-	-	-	2,20,000.00	2,20,000.00	3,20,000.00
	<b>Transactions</b>										
7	<b>Purchases / Seives</b> Fixed Assets / Good & Materials	-	-	-	-	-	-	121.00	-	121.00	121.00
8	<b>Expenses</b> Interest	11,499.99	83.27	11,583.26	-	1.96	-	-	11,299.56	11,301.52	22,884.78
9	Notional Interest on Debentures	-	2,714.23	2,714.23	-	-	-	-	-	-	2,714.23
10	Prov for Interest Accrued on ICD -RP - Doubtfull	-	-	-	-	-	1,147.32	-	-	1,147.32	1,147.32
11	Miscellaneous expenses	-	0.01	0.01	-	-	-	-	-	-	0.01
12	<b>Income</b> Rent and Other Service Charges	-	0.72	0.72	-	-	-	-	-	-	0.72
13	Interest on Loan (ICD)	-	-	-	-	-	1,274.80	-	-	1,274.80	1,274.80
14	<b>Other Receipts / Payments</b> Other Reimbursements (Payments)	-	94.52	94.52	-	10.80	-	-	-	10.80	105.32
15	Other Reimbursements (Receipts)	-	10.34	10.34	-	-	-	-	-	-	10.34
16	<b>Finance</b> Inter Corporate Deposits Given	-	-	-	-	-	45,000.00	-	-	45,000.00	45,000.00
17	Inter-corporate deposits taken	-	-	-	-	500.00	-	-	2,20,000.00	2,20,500.00	2,20,500.00
18	Repayment of Deposits Taken	-	-	-	-	500.00	-	-	-	500.00	500.00
19	Repayment of Convertible Redeemable debentures	-	1,72,675.00	1,72,675.00	-	-	-	-	-	-	1,72,675.00
20	<b>Guarantees outstanding</b> Given on behalf of a Fellow Subsidiary	-	-	-	-	-	15,000.00	-	-	15,000.00	15,000.00

**FORBES CAMPBELL FINANCE LIMITED**

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

**31. Related party disclosures (contd.)**
*Previous Year*

₹ In Thousand

**(b) transactions / balances with above mentioned related parties**

		A	A	Parties in A above	C	C	Parties in C above	Total
		Shapoorji Pallonji and Company Pvt. Ltd.	Forbes & Company Ltd.		Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.		
	<b>Nature of Transaction</b>							
	<b>Balances</b>							
1	Trade Receivables	-	0.14	<b>0.14</b>	-	-	-	<b>0.14</b>
2	Interest accrued but not due on ICD-RP / debentures	8.86	0.07	<b>8.93</b>	-	-	-	<b>8.93</b>
3	Interest accrued on investment / loan given	-	-	-	636.45	-	<b>636.45</b>	<b>636.45</b>
4	Prov. for Interest Accrued on ICD-RP-Doubtful	-	-	-	636.45	-	<b>636.45</b>	<b>636.45</b>
5	Deposits Payable	1,00,000.00	-	<b>1,00,000.00</b>	-	-	-	<b>1,00,000.00</b>
6	Debentures held	-	49.61	<b>49.61</b>	-	-	-	<b>49.61</b>
	<b>Expenses</b>							
7	Interest	11,500.00	172.68	<b>11,672.68</b>	-	-	-	<b>11,672.68</b>
8	Prov. for Interest Accrued on ICD-RP-Doubtful	-	-	-	636.45	-	<b>636.45</b>	<b>636.45</b>
9	Notional Interest on Debentures	-	5,160.80	<b>5,160.80</b>	-	-	-	<b>5,160.80</b>
10	Impairment of Investment in Associate /Doubtful Prov. Int. Accrued on ICD	-	-	-	1,96,565.60	-	<b>1,96,565.60</b>	<b>1,96,565.60</b>
11	Miscellaneous expenses	-	0.01	<b>0.01</b>	-	-	-	<b>0.01</b>
	<b>Income</b>							
12	Rent and Other Service Charges	-	150.00	<b>150.00</b>	-	-	-	<b>150.00</b>
13	Interest on Inter Corporate Deposits	-	-	-	321.92	240.01	<b>561.93</b>	<b>561.93</b>
	<b>Finance</b>							
14	Repayment of Inter Corporate Deposits Given	-	-	-	1,00,000.00	2,200.00	<b>1,02,200.00</b>	<b>1,02,200.00</b>
15	Investment in Equity Shares	-	-	-	1,00,000.00	-	<b>1,00,000.00</b>	<b>1,00,000.00</b>
16	<b>Guarantees outstanding</b>							
	Given on behalf of a Fellow Subsidiary	-	-	-	15,000.00	-	<b>15,000.00</b>	<b>15,000.00</b>

# FORBES CAMPBELL FINANCE LIMITED

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

## 32. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

A	Name	During the Year		Closing Balance	Period	Rate of Interest	Purpose
		Given	Returned				
<b>A Investments made</b>							
1	Forbes Campbell Services Limited	-	-	<b>543.99</b>	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	<i>493.99</i>	<i>N.A</i>	<i>N.A</i>	
2	Forbes Technosys Limited *	-	-	-	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
	Equity Shares	-	-	-	<i>N.A</i>	<i>N.A</i>	
	Non-Convertible Debentures	-	-	-	-	-	General Corporate Purpose
		-	-	-	-	-	
3	Forbes Bumi Armada Limited	-	-	<b>28,056.40</b>	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	<i>28,056.40</i>	<i>N.A</i>	<i>N.A</i>	
4	Svadeshi Mills Company Limited**	-	-	-	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	-	<i>N.A</i>	<i>N.A</i>	
5	Forbes Edumetry Limited**	-	-	-	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	-	<i>N.A</i>	<i>N.A</i>	
6	Forbes & Company Limited (At FV)	-	-	<b>68,289.74</b>	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	<i>2,86,961.67</i>	<i>N.A</i>	<i>N.A</i>	
7	Eureka Forbes Limited (At FV)	-	-	<b>9,76,673.06</b>	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	-			
<b>B Loans (Inter Corporate Deposit)/Advances given</b>							
1	Forbes Edumetry Limited**	-	-	<b>3,953.95</b>	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	<i>3,953.95</i>	<i>N.A</i>	<i>N.A</i>	
2	Forbes Technosys Limited	-	-	-	-	-	General Corporate Purpose
		-	-	-	-	-	
3	Shapoorji Pallonji Forbes Shipping Limited	-	-	-	-	-	General Corporate Purpose
		-	-	-	-	-	
<b>C Guarantee Given</b>							
1	Forbes Technosys Limited	-	-	<b>15,000.00</b>	<b>N.A</b>	<b>N.A</b>	General Corporate Purpose
		-	-	<i>15,000.00</i>	<i>N.A</i>	<i>N.A</i>	

\* Investments net of Impairment

\*\* Investments Impaired & Advances Provided

Figures in Italics are Previous Year's Figures

**FORBES CAMPBELL FINANCE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued**
**33. 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 period:**

₹ In Thousand

Particulars	Investment Activities		Real Estate		Total	
	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021	31st Mar., 2022	31st Mar., 2021
Segment Revenue	-	-	720.00	300.00	720.00	300.00
Inter segment revenue	-	-	-	-	-	-
<b>Revenue from operations</b>	<b>-</b>	<b>-</b>	<b>720.00</b>	<b>300.00</b>	<b>720.00</b>	<b>300.00</b>
<b>Segment Results</b>	(45,000.00)	(1,96,565.60)	(19,074.57)	(20,858.66)	(64,074.57)	(2,17,424.26)
Exceptional items allocated to segments	-	-	-	-	-	-
<b>Segment Results after exceptional items</b>	<b>(45,000.00)</b>	<b>(1,96,565.60)</b>	<b>(19,074.57)</b>	<b>(20,858.66)</b>	<b>(64,074.57)</b>	<b>(2,17,424.26)</b>
Add: Unallocated income					1,285.59	610.05
Less: Unallocated expenses					18,432.41	660.76
<b>(Loss) / Profit before tax and finance costs</b>					<b>(44,356.58)</b>	<b>(2,16,153.45)</b>
Less: Finance costs					25,599.02	16,836.10
<b>(Loss) / Profit before tax</b>					<b>(69,955.59)</b>	<b>(2,32,989.55)</b>
<b>Provision for taxation:</b>						
Current tax expense					-	-
<b>(Loss) / Profit after tax</b>					<b>(69,955.59)</b>	<b>(2,32,989.55)</b>
<b>Capital employed</b>						
<b>Segment assets</b>	<b>10,73,563.19</b>	<b>3,15,512.06</b>	<b>597.87</b>	<b>569.95</b>	<b>10,74,161.06</b>	<b>3,16,082.02</b>
Unallocated corporate assets					2,412.32	1,618.39
<b>Total assets</b>	<b>10,73,563.19</b>	<b>3,15,512.06</b>	<b>597.87</b>	<b>569.95</b>	<b>10,76,573.38</b>	<b>3,17,700.41</b>
<b>Segment liabilities</b>	<b>3,49,563.65</b>	<b>1,58,540.71</b>	<b>-</b>	<b>-</b>	<b>3,49,563.65</b>	<b>1,58,540.71</b>
Unallocated corporate liabilities					3,298.45	3,145.18
<b>Total liabilities</b>	<b>3,49,563.65</b>	<b>1,58,540.71</b>	<b>-</b>	<b>-</b>	<b>3,52,862.10</b>	<b>1,61,685.89</b>
<b>Capital employed</b>	<b>7,23,999.55</b>	<b>1,56,971.35</b>	<b>597.87</b>	<b>569.95</b>	<b>7,23,711.29</b>	<b>1,56,014.52</b>
<b>Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress					-	-
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Segment depreciation / amortisation</b>	<b>-</b>	<b>-</b>	<b>28.97</b>	<b>22.84</b>	<b>28.97</b>	<b>22.84</b>
Unallocated corporate depreciation / amortisation					-	-
<b>Total depreciation / amortisation</b>	<b>-</b>	<b>-</b>	<b>28.97</b>	<b>22.84</b>	<b>28.97</b>	<b>22.84</b>
<b>Non-cash segment expenses other than depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unallocated non-cash expenses other than depreciation					-	-
<b>Total non-cash expenses other than depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## FORBES CAMPBELL FINANCE LIMITED

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

#### 34. Financial instruments

##### 34.1. 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 16 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 14 & 15).

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.

##### 34.2 Gearing ratio

The gearing ratio at end of the period was as follows :-

₹ In Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
Short Term Borrowings	3,20,000.00	1,00,000.00
Long Term Borrowings	-	49,611.99
Cash and bank balances	1,119.83	384.78
Net debt	<b>3,18,880.17</b>	<b>1,49,227.21</b>
Equity	<b>7,23,711.29</b>	<b>1,56,014.52</b>
Net debt to equity ratio (Refer Note a)	<b>0.44</b>	<b>0.96</b>

##### Note:-

a) Net Debt Equity Ratio = Long Term Borrowings and Short Term Borrowings (less Cash and Bank Balance) / Equity

##### 34.3 Categories of financial instruments

₹ In Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>Financial assets</b>		
<b>a) Measured at Amortised Cost</b>		
Trade receivables	54.00	138.75
Cash and bank balances	1,119.83	384.78
Loans (Inter Corporate Deposit)	-	-
Investments in subsidiaries	543.99	493.99
Investments in associates	-	-
Investments in joint ventures	28,056.40	28,056.40
Other Financial Assets	10.00	10.00
<b>Sub Total- a</b>	<b>29,784.22</b>	<b>29,083.92</b>
<b>b) Measured at FVTOCI</b>		
Equity Investment (Refer Note 9 A)*	10,44,962.80	2,86,961.67
<b>Sub Total- b</b>	<b>10,44,962.80</b>	<b>2,86,961.67</b>
<b>Total ( a + b)</b>	<b>10,74,747.03</b>	<b>3,16,045.59</b>
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
Borrowings	3,20,000.00	1,49,611.99
Trade and other payables	56.65	65.91
Other financial liabilities	29,563.65	8,928.72
<b>Total</b>	<b>3,49,620.30</b>	<b>1,58,606.62</b>

\*Fair Value of 1,66,398 number of equity shares of face value of ₹ 10 each held in Forbes & Company Limited (Holding Company) is valued at quoted prices as fair value hierarchy of level 1.

## FORBES CAMPBELL FINANCE LIMITED

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

#### 34.4 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.

Ratios	Numerator	Denominator	31st Mar., 2022	31st Mar., 2021	% Variance	Reason for Variance
Current Ratio	Current assets	Current liabilities	0.33%	0.47%	-28.85%	Due to increase in current borrowings during the year Due to increase in Reserve for equity instruments through other comprehensive income
Debt-Equity Ratio	Total debt	Total equity	44.22%	95.90%	-53.89%	during the year Due to decrease in losses
Debt Service Coverage Ratio	Earning for debt	Debt service	-14.70%	-221.29%	-93.36%	during the year Due to decrease in losses
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	-15.90%	-120.71%	-86.82%	during the year
Inventory turnover ratio	COGS	Average inventory	Not applicable	Not applicable	Not applicable	Not applicable
Trade Receivables turnover ratio	Credit sales	Average trade receivable	747.08%	317.88%	135.02%	during the year Due to increase in revenues
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	Not applicable	Not applicable	Not applicable	Not applicable
Net capital turnover ratio	Credit sales	working capital	-0.31%	-0.55%	-43.02%	Due to increase in working capital during the year
Net profit ratio	Net profit after tax	Revenue from operations	-9716.05%	-77663.18%	-87.49%	during the year Due to decrease in losses
Return on Capital employed	Earnings before interest and tax	capital employed	-4.25%	-84.43%	-94.97%	during the year Due to decrease in losses
Return on investment**	Earnings before interest and tax	Closing total assets	-6.50%	-73.34%	-91.14%	during the year

#### 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, 2021 and March 31, 2020 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., 2022			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	3,20,000.00	-	-	-
Trade Payables	56.65	-	-	-
Other Financial Liabilities	29,563.65	-	-	-
	<b>3,49,620.30</b>	-	-	-

₹ In Thousand

Maturities of Financial Liabilities	31st Mar., 2021			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings	1,00,000.00	-	-	1,72,675.00
Trade Payables	65.91	-	-	-
Other Financial Liabilities	8,928.72	-	-	-
	<b>1,08,994.63</b>	-	-	<b>1,72,675.00</b>

₹ In Thousand

# FORBES CAMPBELL FINANCE LIMITED

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

### 35. Micro, Small and Medium Enterprises

On the basis of responses received against enquiries made by the Company, there is an amount of ₹ 56.65 thousand 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 period.

### 36. Exceptional Item

During the year ended March 31, 2022, Unsecured Intercompany deposit amounting to Rs. 45,000 thousands has been granted to Forbes Technosys Limited (FTL) which is repayable on demand for general corporate purposes. However, Forbes Technosys Limited has been incurring losses and its accumulated losses has fully eroded its Net Worth and its current liabilities are in excess of its current assets. The present situation has resulted in the negligible chances of the recovery of the said deposit, consequent to which full value of deposit alongwith accrued interest the accrued interest has been impaired.

### 37. Net debt reconciliation

	₹ In Thousand	
	31st Mar., 2022	31st Mar., 2021
Short Term Borrowings	(3,20,000.00)	(1,00,000.00)
Long Term Borrowings	-	(49,611.99)
<b>Total debt</b>	<b>(3,20,000.00)</b>	<b>(1,49,611.99)</b>
Cash & Cash equivalents	1,119.83	384.78
<b>Net debt</b>	<b>(3,18,880.17)</b>	<b>(1,49,227.21)</b>

	₹ In Thousand			
	Other assets	Liabilities from financing activities		
	Cash and bank overdraft	Long Term Borrowings	Short Term Borrowings	Total
<b>Net debt as at 1st April, 2021</b>	<b>384.78</b>	<b>(49,611.99)</b>	<b>(1,00,000.00)</b>	<b>(1,49,227.21)</b>
Cash flows	735.05	49,611.99	(2,20,000.00)	<b>(1,69,652.96)</b>
Interest expense	-	83.27	22,801.52	<b>22,884.78</b>
Interest paid	-	(83.27)	(22,801.52)	<b>(22,884.78)</b>
<b>Net debt as at 31st Mar., 2022</b>	<b>1,119.83</b>	<b>-</b>	<b>(3,20,000.00)</b>	<b>(3,18,880.17)</b>

38. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

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

As per our report of even date

For U B G & COMPANY

Chartered Accountants

Firm Reg No: 141076W

Gaurav Parekh

Partner

Membership No.: 140694

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

**FORBES CAMPBELL SERVICES LIMITED**  
**(Subsidiary Company of Forbes Campbell Finance Limited)**

**Financial Statements**  
**For the Year ended March 31, 2022**



## **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 31<sup>st</sup> March 2022, 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, 2022, and its loss, 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 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.

### **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, 2020 ("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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the

directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls 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.
- iv. The management has represented that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) and (v) contain any material mis-statement.

- vi. The Company has neither declared nor paid any dividend during the year.

**For Atul HMV & Associates LLP**

*Chartered Accountants*

FRN: 124043W

**Hemanshu M. Vora**

Partner

Mem. No. 100283

UDIN: 22100283AJIXOV8546

Place: Mumbai

Date: 19<sup>th</sup> May,2022

## **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 2022, 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, 2020 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, 2020 are not applicable.
- (iii) According to information and explanations given to us, the Company has not made any investments or provided any guarantee to companies, firms, Limited Liability Partnerships or any other parties. Further, the Company had granted loans to two fellow subsidiaries during the year aggregating to Rupees Twenty Five lakhs which were repaid in full during the year.
  - (a) The terms and conditions of the grant of such loan are, in our opinion, prima facie, not prejudicial to the Company’s interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts of interest amount have been regular as per the stipulations.
  - (c) There is no overdue amount remaining outstanding as at the year-end
  - (d) There were no loans or advances in the nature of loan granted which had fallen due during the year, and were renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties
  - (e) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment
- (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 Goods and Service Tax (GST), provident fund, employee's state insurance, income tax. The provisions of Sales Tax, Service 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 Goods and Service Tax (GST), provident fund, employee's state insurance, income tax or sales tax, service tax or value added tax, duty of customs or duty of excise or Cess 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 surrendered or disclosed, any transactions not recorded previously in the books of accounts, as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not availed any loans or borrowings from any lender. Thus, provisions of clause 3 (ix) of the Companies (Auditor's report) Order, 2020 are not applicable.
- (x) 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).

Further, in our opinion and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

Thus, provisions of clause 3 (x) of the Companies (Auditor's report) Order, 2020 are not applicable.

- (xi) 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 has been noticed or reported during the year and accordingly no report has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

Further, according to the information and explanations given to us, no whistleblower complaints were received by the Company.

- (xii) The Company is not a Nidhi Company. Thus, provisions of clause 3 (xii) of the Companies (Auditor's report) Order, 2020 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) Provisions of clause 3 (xiv) of the Companies (Auditor's report) Order, 2020 are not applicable as the company's paid up share capital during preceding financial year was below Rupees fifty crores, turnover in preceding financial year was below Rupees Two Hundred crores, outstanding loans or borrowings from banks and public financial institutions was below Rupees One Hundred crores and outstanding deposits were below Rupees twenty-five crores during preceding financial year.

- (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) (a) 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.
- (b) In our opinion and according to the information and explanations given to us, the company has not conducted any Non-Banking Financial or Housing Finance activities which will entail a requirement to obtain valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) In our opinion and according to the information and explanations given to us, the company is neither a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India nor exempted or unregistered CIC. Accordingly, provisions of clause 3 (xvi)(c) of the Companies (Auditor's report) Order, 2020 are not applicable.
- (xvii) The Company has incurred cash loss of Rs. 6,47,525 during the financial year. However, there were no cash losses incurred by the company during the immediately preceding financial year.
- (xviii) In our opinion and according to the information and explanations given to us, there was no resignation of the statutory auditors during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, in our opinion no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;
- (xx) The Company's net worth is below Rupees five hundred crores, turnover below Rupees one thousand crores and net profit below rupees five crore in the immediately preceding financial year. Accordingly, provisions of corporate social responsibility are not applicable to the company. Thus, provisions of clause 3 (xx) of the Companies (Auditor's report) Order, 2020 are not applicable.

(xxi) Provisions of clause 3 (xxi) of the Companies (Auditor's report) Order, 2020 are not applicable as the CARO report is presented on Standalone Financial statements of the Company.

**For Atul HMV & Associates LLP**

*Chartered Accountants*

FRN No: 124043W

**Hemanshu M. Vora**

*Partner*

Membership No. 100283

UDIN: 22100283AJIXOV8546

Place: Mumbai

Date: 19th May, 2022

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

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

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 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 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 March 31, 2022, 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

UDIN: 22100283AJIXO8546

Place: Mumbai

Date: 19<sup>th</sup> May, 2022

# FORBES CAMPBELL SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at 31st Mar., 2022 INR in Thousand	As at 31st Mar., 2021 INR in Thousand
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
<b>a Financial Assets:</b>			
i) Other financial assets	4A	104.78	104.78
		<u>104.78</u>	<u>104.78</u>
<b>b Tax assets</b>			
i) Deferred tax assets (net)	11	54.08	13.46
ii) Current tax assets (net)	14	78.08	33.80
		<u>132.16</u>	<u>47.25</u>
<b>c Other non-current assets</b>			
		-	-
<b>Total Non-current assets</b>		<u>236.94</u>	<u>152.03</u>
<b>2 Current assets</b>			
<b>a Financial Assets:</b>			
i) Trade receivables	3	580.00	-
ii) Cash and cash equivalents	5	1,984.34	2,631.86
		<u>2,564.34</u>	<u>2,631.86</u>
<b>b Other current assets</b>			
	6A	21.32	7.59
<b>Total Current assets</b>		<u>2,585.66</u>	<u>2,639.45</u>
<b>Total Assets</b>		<u>2,822.60</u>	<u>2,791.48</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity share capital	7	500.00	500.00
b Other equity	8	1,866.07	1,981.69
Equity attributable to owners of the Company		<u>2,366.07</u>	<u>2,481.69</u>
<b>Total Equity</b>		<u>2,366.07</u>	<u>2,481.69</u>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
a Provisions	10A	103.86	106.68
<b>Total Non-current liabilities</b>		<u>103.86</u>	<u>106.68</u>
<b>2 Current liabilities</b>			
<b>a Financial liabilities:</b>			
i) Trade and other payables	13	124.93	10.62
ii) Other financial liabilities	9	0.73	-
		<u>125.66</u>	<u>10.62</u>
<b>b Provisions</b>			
	10B	3.04	3.21
<b>c Current tax liabilities (net)</b>			
	14	-	-
<b>d Other current liabilities</b>			
	12	223.98	189.28
<b>Total Current Liabilities</b>		<u>352.68</u>	<u>203.11</u>
<b>Total Liabilities</b>		<u>456.54</u>	<u>309.79</u>
<b>Total Equity and Liabilities</b>		<u>2,822.60</u>	<u>2,791.48</u>

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For Atul HMV & Associates LLP**  
Chartered Accountants  
FRN No: 124043W

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ }  
Directors

**Hemanshu M. Vora**  
Partner

PANKAJ KHATTAR \_\_\_\_\_

Mem No.: 100283  
Mumbai, 19th May, 2022

Mumbai, 19th May, 2022



# FORBES CAMPBELL SERVICES LIMITED

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

Particulars	Note No.	Year ended 31st Mar., 2022 INR in Thousand	Year ended 31st Mar., 2021 INR in Thousand
I Revenue from operations	15	2,850.00	2,772.00
II Other income	16	35.16	220.24
<b>III Total Income (I + II)</b>		<b>2,885.16</b>	<b>2,992.24</b>
<b>IV Expenses:</b>			
Employee benefits expense	17	2,564.36	1,904.36
Other expenses	18	477.05	711.87
<b>Total expenses</b>		<b>3,041.41</b>	<b>2,616.23</b>
<b>V Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>(156.25)</b>	<b>376.01</b>
VI Exceptional items		-	-
<b>VII Profit / (Loss) before tax (V + VI)</b>		<b>(156.25)</b>	<b>376.01</b>
<b>VIII Tax expense / (credit):</b>			
Current tax	19	-	93.00
Deferred tax	19	(40.63)	4.88
		<b>(40.63)</b>	<b>97.88</b>
<b>IX Profit for the period (VII - VIII)</b>		<b>(115.62)</b>	<b>278.13</b>
<b>XII Earning per equity share :</b>			
Basic and diluted earnings per equity share	20	₹ (2.31)	₹ 5.56

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For Atul HMV & Associates LLP**  
 Chartered Accountants  
 FRN No: 124043W

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ }  
 Directors

PANKAJ KHATTAR \_\_\_\_\_

**Hemanshu M. Vora**

Partner

Mem No.: 100283

Mumbai, 19th May, 2022

Mumbai, 19th May, 2022

# FORBES CAMPBELL SERVICES LIMITED

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

	Year ended 31st Mar., 2022 INR in Thousand	Year ended 31st Mar., 2021 INR in Thousand
<b>Cash flows from operating activities</b>		
Profit before tax	(156.25)	376.01
Adjustments for -		
Interest Income	(35.16)	(220.24)
<b>Operating profit / (loss) before working capital changes</b>	<b>(191.41)</b>	<b>155.77</b>
Movements in working capital:		
Decrease / (increase) in trade receivables and other receivables	(580.00)	2,175.40
(Increase)/decrease in other assets	(13.74)	(7.10)
Increase / (decrease) in trade payables and other payables	115.04	(147.28)
Increase / (decrease) in provisions	(2.99)	(18.75)
Increase / (decrease) in other liabilities	34.70	19.06
	<b>(446.99)</b>	<b>2,021.33</b>
<b>Cash generated from / (used in) operations</b>	<b>(638.40)</b>	<b>2,177.10</b>
Income taxes paid (net of refunds)	(44.28)	(98.91)
<b>(a) Net cash generated from / (used in) operating activities</b>	<b>(682.69)</b>	<b>2,078.19</b>
<b>Cash flows from investing activities:</b>		
Interest received	35.16	271.77
<b>(b) Net cash generated from / (used in) investing activities</b>	<b>35.16</b>	<b>271.77</b>
<b>Cash flows from financing activities:</b>		
<b>(c) Net cash generated from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>	<b>(647.53)</b>	<b>2,349.97</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>2,631.86</b>	<b>281.89</b>
<b>(f) Cash and cash equivalents as at the end of the year (d + e)</b>	<b>1,984.34</b>	<b>2,631.86</b>

See accompanying notes forming part of the financial statements

In terms of our report attached  
**For Atul HMV & Associates LLP**  
 Chartered Accountants  
 FRN No: 124043W

**Hemanshu M. Vora**  
 Partner  
 Mem No.: 100283  
 Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ *Chairperson*

RAVINDER PREM \_\_\_\_\_

PANKAJ KHATTAR \_\_\_\_\_

} *Directors*

Mumbai, 19th May, 2022

# FORBES CAMPBELL SERVICES LIMITED

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

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

A. Equity share capital	No. of Shares in thousand	Amount
	INR in Thousand	
Balance at 31st March, 2021	50.00	500.00
Changes in equity share capital during the period	-	-
Balance at 31st March, 2022	50.00	500.00

B. Other Equity	Attributable to Owners	
	Reserves and surplus	Total Other Equity
	Retained earnings	Total
Total comprehensive income for the year 31st March, 2021	1,981.69	1,981.69
Profit for the period	(115.62)	(115.62)
Total comprehensive income for the year ending 31st March, 2022	1,866.07	1,866.07

See accompanying notes forming part of the financial statements

In terms of our report attached

**For Atul HMV & Associates LLP**

Chartered Accountants

FRN No: 124043W

**Hemanshu M. Vora**

Partner

Mem No.: 100283

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ }  
Directors

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

# FORBES CAMPBELL SERVICES LIMITED

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

### 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.

# FORBES CAMPBELL SERVICES LIMITED

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

### 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, 2022 - Continued

### 3. Trade receivables

INR in Thousand

#### Trade receivables- Current

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>Trade receivables</b>		
a) Considered Good- Billed	-	-
b) Considered Good- unbilled	-	-
c) Unsecured, considered good	580.00	-
d) Doubtful	-	-
	-	-
Less: Allowance for doubtful debts	-	-
<b>Total</b>	<b>580.00</b>	<b>-</b>

#### 3. 1 Trade receivables- Ageing schedule

Range of O/s period	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>Undisputed Trade receivables:</b>		
Unbilled	-	-
Not Due	-	-
Less than 6 months	580.00	-
6 months - 1 year	-	-
1-2 years	-	-
2-3 years	-	-
>3 years	-	-
<b>Total</b>	<b>580.00</b>	<b>-</b>

### 4. Other financial assets

#### 4A. Other financial assets - Non current

INR in Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>a) Security deposits</b>		
- Unsecured, considered good	104.78	104.78
Less : Allowance for bad and doubtful loans / deposits	-	-
<b>Total</b>	<b>104.78</b>	<b>104.78</b>

## FORBES CAMPBELL SERVICES LIMITED

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

#### 5. 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	INR in Thousand
	31st Mar., 2022	As at 31st Mar., 2021
<b>Balances with Banks</b>		
a) In current accounts	1,984.34	2,631.86
b) Deposits accounts	-	-
	<u>1,984.34</u>	<u>2,631.86</u>
<b>Cheques, drafts on hand/ in transit</b>	-	-
<b>Cash on hand</b>	-	-
<b>Cash and cash equivalents as per balance sheet</b>	<u>1,984.34</u>	<u>2,631.86</u>

#### 6. Other assets

Particulars	As at	INR in Thousand
	31st Mar., 2022	As at 31st Mar., 2021
<b>6A. Other assets - Current</b>		
a) Advances for supply of goods and services		
- Unsecured, considered good	0.49	0.49
Less : Allowance for doubtful advances	-	-
	<u>0.49</u>	<u>0.49</u>
b) Prepaid expenses	20.83	7.10
<b>Total</b>	<u>21.32</u>	<u>7.59</u>

## FORBES CAMPBELL SERVICES LIMITED

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

#### 7. Equity Share Capital

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Authorised Share capital :</b>		
50,000 fully paid equity shares of ₹ 10 each	500.00	500.00
<b>Issued and subscribed capital comprises:</b>	-	-
50,000 fully paid equity shares of ₹ 10 each (Previous year : 50,000)	500.00	500.00
	500.00	500.00

##### 7.1 Fully paid equity shares

Particulars	Number of shares in Thousand	Share capital (Amount)
Balance at March 31, 2021	50.00	500.00
Movements	-	-
<b>Balance at March 31, 2022</b>	<b>50.00</b>	<b>500.00</b>

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

##### 7.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and

Particulars	Fully paid ordinary shares In thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Balance at the beginning of the period</b>		
The holding company	49.00	49.00
The ultimate controlling party	-	-
Subsidiaries of the holding company	-	-
Associates of the holding company	-	-
Subsidiaries of the ultimate controlling party	-	-
Associates of the ultimate controlling party	-	-
<b>Total</b>	<b>49.00</b>	<b>49.00</b>

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

Particulars	As at 31st Mar., 2022		As at 31st Mar., 2021	
	Number of shares held in thousand	% holding in the class of shares	Number of shares held in thousand	% holding in the class of shares
<b>Fully paid equity shares</b>				
Forbes Campbell Finance Limited	49.00	98.00	49.00	98.00
<b>Total</b>	<b>49.00</b>	<b>98.00</b>	<b>49.00</b>	<b>98.00</b>

#### 8. Other equity excluding non-controlling interests

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Retained earnings</b>		
Balance at beginning of year	1,981.69	1,703.56
Profit attributable to owners of the Company	(115.62)	278.13
<b>Balance at end of the year</b>	<b>1,866.07</b>	<b>1,981.69</b>
<b>b) Others</b>	-	-
<b>Total</b>	<b>1,866.07</b>	<b>1,981.69</b>



# FORBES CAMPBELL SERVICES LIMITED

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

## 9. Other financial liabilities

### Other financial liabilities - Current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Other payables	0.73	-
<b>Total</b>	<b>0.73</b>	<b>-</b>

## 10. Provisions

### 10A. Provisions - Non current

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Employee benefits		
Compensated absences	103.86	106.68
<b>Total</b>	<b>103.86</b>	<b>106.68</b>

### 10B. Provisions - Current

a) Employee benefits		
Compensated absences	3.04	3.21
<b>Total</b>	<b>3.04</b>	<b>3.21</b>

# FORBES CAMPBELL SERVICES LIMITED

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

## 11. Deferred tax balances

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

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Deferred tax assets	54.08	13.46
Deferred tax liabilities	-	-
<b>Net</b>	<b>54.08</b>	<b>13.46</b>

### Current Year ( 2021-22)

INR in Thousand

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
a) Provisions	13.46	40.63	-	-	54.08
<b>Total (A) ...</b>	<b>13.46</b>	<b>40.63</b>	<b>-</b>	<b>-</b>	<b>54.08</b>
b) Tax losses	-	-	-	-	-
<b>Total (B) ...</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B) ...</b>	<b>13.46</b>	<b>40.63</b>	<b>-</b>	<b>-</b>	<b>54.08</b>

### Previous Year ( 2020-21)

INR in Thousand

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
a) Provisions	18.33	(4.88)	-	-	13.46
<b>Total (A) ...</b>	<b>18.33</b>	<b>(4.88)</b>	<b>-</b>	<b>-</b>	<b>13.46</b>
b) Tax losses	-	-	-	-	-
<b>Total (B) ...</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B) ...</b>	<b>18.33</b>	<b>(4.88)</b>	<b>-</b>	<b>-</b>	<b>13.46</b>

# FORBES CAMPBELL SERVICES LIMITED

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

### 12. Other current liabilities

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Statutory remittances	88.36	59.05
b) Others	-	-
- Prov. for Expenses	135.62	130.24
<b>Total</b>	<b>223.98</b>	<b>189.28</b>

### 13. Trade payables

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Trade payables	124.93	10.62
<b>Total</b>	<b>124.93</b>	<b>10.62</b>

#### 13. 1 Trade Payables- Ageing schedule

Range of O/s period	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Less than 1 year	Less than 1 year	
<b>Undisputed trade payables</b>		
Micro enterprises and small enterprises	-	-
Others	124.93	10.62
<b>Disputed trade receivables</b>		
Micro enterprises and small enterprises	-	-
Others	-	-
<b>Total</b>	<b>124.93</b>	<b>10.62</b>

### 14. Current tax assets and liabilities

Particulars	INR in Thousand	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Current tax assets</b>		
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-
Tax refund receivable (net of provision for tax)	78.08	33.80
Others [describe]	-	-
	<b>78.08</b>	<b>33.80</b>
<b>Current tax liabilities</b>		
Income tax payable (net of advance tax)	-	-
Others [describe]	-	-
	<b>-</b>	<b>-</b>
Current Tax Assets (current portion)	-	-
Current Tax Assets (non-current portion)	78.08	33.80

# FORBES CAMPBELL SERVICES LIMITED

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

### 15. Revenue from operations

Particulars	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Sale of services		
i) Service Charges	2,850.00	2,772.00
<b>Total</b>	<b>2,850.00</b>	<b>2,772.00</b>

### 16. Other Income

#### a) Interest Income

Particulars	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Inter-corporate deposit	33.45	220.24
ii) On Income Tax refund	1.71	-
<b>Total</b>	<b>35.16</b>	<b>220.24</b>

### 17. Employee benefits expense

Particulars	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Salaries and Wages	2,238.05	1,636.87
ii) Contribution to provident and other funds	170.57	142.98
iii) Staff Welfare Expenses	155.74	124.52
<b>Total</b>	<b>2,564.36</b>	<b>1,904.36</b>

### 18. Other expenses

Particulars	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Insurance	71.70	35.48
b) Rates and taxes (excluding taxes on income)	2.50	2.50
c) Printing & Stationery	-	0.12
d) Legal and professional charges	335.92	602.44
e) Travelling and conveyance	-	4.05
f) Miscellaneous expenses	26.93	19.79
<b>Sub Total (a)</b>	<b>437.05</b>	<b>664.37</b>
g) <b>Payment to Statutory auditors</b>		
i) For audit	32.50	32.50
ii) For other services	7.50	15.00
<b>Sub Total (b)</b>	<b>40.00</b>	<b>47.50</b>
<b>Total (a + b)</b>	<b>477.05</b>	<b>711.87</b>

### 19. Income taxes relating to continuing operations

Particulars	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>19.1 Income tax recognised in profit or loss</b>		
<b>Current tax</b>		
In respect of the current year	-	93.00
In respect of prior years	-	-
	<b>-</b>	<b>93.00</b>
<b>Deferred tax</b>		
In respect of the current year	(40.63)	4.88
	<b>(40.63)</b>	<b>4.88</b>
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>(40.63)</b>	<b>97.88</b>

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

Particulars	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>Profit before tax from continuing operations</b>	<b>(156.26)</b>	<b>376.01</b>
Income tax expense calculated at 26% (2020-21: 26%)	(40.63)	97.76
Effect of expenses that are deductible in determining taxable profit on payment/reversal	-	-
Others	-	0.11
Income tax expense recognised in profit or loss (relating to continuing operations)	<b>(40.63)</b>	<b>97.88</b>

The tax rate used for the 2021-2022 and 2020-2021 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, 2022 - Continued

### 20. Earnings per share

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>From Continuing operations</b>	<b>INR per share</b>	<b>INR per share</b>
Basic earnings per share	(2.31)	5.56
Diluted earnings per share	(2.31)	5.56

#### 20.1 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	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Profit for the year attributable to owners of the Company (A)	(115.62)	278.13
Weighted average number of equity shares(In thousand) for the purposes of basic earnings per share (B)	50.00	50.00
<b>Basic Earnings per share (A/B)</b>	<b>(2.31)</b>	<b>5.56</b>

#### 20.2 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	INR in Thousand	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
Earnings used in the calculation of basic earnings per share	(115.62)	278.13
Adjustments	-	-
<b>Earnings used in the calculation of diluted earnings per share (A)</b>	<b>(115.62)</b>	<b>278.13</b>
Weighted average number of equity shares used in the calculation of basic earnings per share (in thousand)	50.00	50.00
<b>Weighted average number of equity shares used in the calculation of diluted earnings per share (B)</b>	<b>50.00</b>	<b>50.00</b>
<b>Diluted earnings per share (A/B)</b>	<b>(2.31)</b>	<b>5.56</b>

# FORBES CAMPBELL SERVICES LIMITED

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

### 21. (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. Volkart Fleming Shipping & Services Ltd.
2. Campbell Properties & Hospitality Services Ltd.
3. Shapoorji Pallonji Forbes Shipping Ltd.

#### Current year

#### (b) transactions/ balances with above mentioned related parties

INR in Thousand

	A	Parties in A above	B	B	Parties in B above	Total
	Forbes & Company Ltd.		Volkart Fleming Shipping and Services Ltd.	Campbell Properties & Hospitality Services Ltd.		
<b>Nature of Transaction</b>						
<b>Balances</b>						
1 Trade Payables	-	-	-	-	-	-
2 Trade Receivables	580.00	580.00	-	-	-	580.00
<b>Sales / Services</b>						
3 Services Rendered	2,778.00	2,778.00	72.00	-	72.00	2,850.00
<b>Expenses</b>						
4 Miscellaneous expenses	0.01	0.01	-	-	-	0.01
<b>Income</b>						
5 Interest on Inter Corporate Deposits	-	-	32.40	1.06	33.45	33.45
<b>Other Receipts / Payments</b>						
6 Other Reimbursements (Payments)	139.90	139.90	-	-	-	139.90
<b>Finance</b>						
7 Deposits Given	-	-	2,000.00	500.00	2,500.00	2,500.00
8 Repayment of Deposits Given	-	-	2,000.00	500.00	2,500.00	2,500.00

#### Related party disclosures (contd.)

#### Previous year

#### (b) transactions/ balances with above mentioned related parties

INR in Thousand

	A	Parties in A above	B	B	Parties in B above	Total
	Forbes & Company Ltd.		Volkart Fleming Shipping and Services Ltd.	Shapoorji Pallonji Forbes Shipping Ltd.		
<b>Nature of Transaction</b>						
<b>Balances</b>						
1 Trade Receivables	-	-	-	-	-	-
<b>Sales / Services</b>						
2 Services Rendered	2,622.00	2,622.00	150.00	-	150.00	2,772.00
<b>Expenses</b>						
3 Miscellaneous Expenses	0.01	0.01	-	-	-	0.01
<b>Income</b>						
4 Interest on Inter Corporate Deposits	-	-	-	220.24	220.24	220.24
<b>Finance</b>						
5 Repayment of Deposits Given	-	-	-	2,100.00	2,100.00	2,100.00

## FORBES CAMPBELL SERVICES LIMITED

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

#### 22. Financial instruments

##### 22.1 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 7 to 8).

##### 22.2 Categories of financial instruments

INR in Thousand

Particulars	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>Financial assets</b>		
<b><u>Measured at Amortised Cost</u></b>		
a) Cash and bank balances	1,984.34	2,631.86
b) Trade Receivables	580.00	-
c) Loans	-	-
<b>Financial liabilities</b>		
<b><u>Measured at Amortised Cost</u></b>		
a) Trade payables	124.93	10.62

## FORBES CAMPBELL SERVICES LIMITED

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

#### 22.3 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.

Ratios	Numerator	Denominator	31st Mar., 2022	31st Mar., 2021	Variation (%)	Reason for variation
Current Ratio	Current assets	Current liabilities	7.33	13.00	-566%	Decreased on account of increase in expenses leading to increased statutory deductions during year end which remained outstanding as Current Liability.
Debt-Equity Ratio	Total debt	Total equity	-	-	0%	N.A.
Debt Service Coverage Ratio	Earning for debt	Debt service	-	-	0%	N.A.
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	-23%	56%	-79%	Decreased on account of increase in expenses.
Inventory turnover ratio	COGS	Average inventory	-	-	0%	N.A.
Trade Receivables turnover ratio	Credit sales	Average trade receivable	9.83	73.53	-6370%	Decreased on account of trade receivables remaining outstanding at the end of the year.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	-	-	0%	N.A.
Net capital turnover ratio	Credit sales	working capital	1.28	1.14	14%	N.A.
Net profit ratio	Net profit after tax	Revenue from operations	-4%	10%	-14%	N.A.
Return on Capital employed	Earnings before interest and tax	capital employed	-7%	15%	-22%	N.A.
Return on investment**	Earnings before interest and tax	Closing total assets	-	-	0%	N.A.



## FORBES CAMPBELL SERVICES LIMITED

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

#### 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, 2022 and March 31, 2021 respectively has been considered. The contractual maturity is based on the earliest date on which the Company may be required to pay.

	INR in Thousand			
	31st Mar., 2022			
Maturities of Financial Liabilities	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	124.93			
	<b>124.93</b>	-	-	-

	31st Mar., 2021			
Maturities of Financial Liabilities	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	10.62			
	<b>10.62</b>	-	-	-

## FORBES CAMPBELL SERVICES LIMITED

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

23. The Board of Directors of Forbes Campbell Services Limited ("the Company") at their Board Meeting held on December 27, 2021 have, inter alia, approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation of Forbes Campbell Services Limited (FCSL) into Forbes Technosys Limited (FTL) and Reduction of share capital in Forbes Technosys Limited pre amalgamation.

The Scheme as aforesaid is subject to necessary approvals by Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

24. No amount is due to Small Scale Industries (SSI) as at 31st March, 2022, as defined under Micro, Small & Medium Enterprises Development Act, 2006.

25. The Company has presented financial statements by rounding off the figures in thousands as per Schedule III of Companies Act, 2013.

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

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In terms of our report attached

**For Atul HMV & Associates LLP**

*Chartered Accountants*

FRN No: 124043W

**Hemanshu M. Vora**

Partner

Mem No.: 100283

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ *Chairperson*

RAVINDER PREM \_\_\_\_\_ } *Directors*

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

**FORBES FACILITY SERVICES PRIVATE LIMITED**  
**(a wholly owned subsidiary)**

**Financial Statements**  
**For the Year ended March 31, 2022**

## **Independent Auditor's Report**

### **To the Members of Forbes Facility Services Pvt Limited**

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

##### **Opinion**

We have audited the accompanying financial statements of **Forbes Facility Services Pvt Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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, 2022, 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 Board's Report including Annexures to 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 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**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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, 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.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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, the remuneration paid/provided by the Company to its directors during the year is in excess of the limits laid down under section 197 of the Act. Details of remuneration paid in excess of the limit laid down under this section are given below.

Financial year	Amount of excess remuneration	Remarks
March 31, 2022	1.63 lakhs	Remuneration paid/ payable to Mr. Vinay Deshmukh (Executive Director and CEO) which was approved in the Board meeting held on July 13, 2021 exceeds the limit prescribed under section 197 by Rs. 1.63 lakhs and is subject to shareholders approval. The Company has charged the excess remuneration paid / payable in the statement of Profit and Loss for the year ended March 31, 2022. Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 1.63 lakhs is held in trust by Mr. Vinay Deshmukh

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

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

(c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.

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

**For BATLIBOI & PUROHIT**

*Chartered Accountants*

Firm Reg. No.: 101048W

**Kaushal Mehta**

Partner

Membership No: 111749

Place: Mumbai

Date: May 28, 2022

ICAI UDIN: 22111749AJVGQY5369



## Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Ind AS financial statements for the year ended March 31, 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-to-use assets.  
  
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment and right-of-use assets by which all items of Property, Plant and Equipment are verified once in every two years. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The management was unable to physically verify Property, Plant and Equipment during the year, hence we are unable to comment on the discrepancies if any.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, with regards to the nature and size of its inventories, the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.
- (b) During the year, the Company had existing sanctioned working capital limits in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets. The statements filed by the Company with such bank had certain variations as compared with the unaudited books of account of the Company for the respective quarter during the year. The reasons for the variation are explained in note 16 by the management.
- (iii) In respect of investments, guarantee or security, loans or advances in the nature of loans –
  - (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
  - (b) In respect of loans outstanding during the year, in our opinion, terms and conditions of the grant of loans are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans outstanding during the year, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.

(d) In our opinion, read with our comment in paragraph 3(iii)(e) below, in respect of loans outstanding, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) During the year, loans aggregating to Rs. 16.84 lakhs fell due and were extended. The details of such loans are stated below:

<b>Name of the Entity</b>	<b>Amount in Lakhs</b>	<b>Original term of repayment</b>	<b>Extended term of repayment</b>
Forbes Concept Hospitality Services Private Limited	16.84	March 31, 2022	March 31, 2023

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- (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 information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (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 Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues 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, 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	11.84	October 2016 onwards	varies from state to state	Unpaid
Employees State Insurance Act, 1948	ESIC	2.56	April 2017 onwards	15 <sup>th</sup> /21 <sup>st</sup> of subsequent month	Unpaid
Employees Provident Funds & Miscellaneous Provisions Act, 1952	*Provident Fund	34.27	FY 2018-19	15 <sup>th</sup> of subsequent month	*Unpaid

- (b) According to the information and explanations given to us, outstanding dues of sales tax and income tax that have not been deposited by the Company on account of disputes are given below \*:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)*	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	Commissioner Income Tax (A)	2012-13	94.57
Central and Various Sales Tax Acts	Sales Tax / Value Added Tax	Deputy Commissioner of Sales Tax (Appeals)	2013-14 to 2016-17 and April to June 2017	1439.46
Finance Act, 1994	Service Tax	Commissioner of service Tax (A)	2008-09 to 2013-14	174.80

*\*As represented by Management.*

- (viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) (a) The Company has not defaulted in repayment of loans to any lender during the year. There were no outstanding loans from any financial institution or government during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, funds raised on short term basis have not been utilised for long term purposes by the Company.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable.
- (b) 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 convertible debentures (fully, partly or optionally) during the year.
- (xi) (a) According to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the year.
- (b) According to the information and explanations given to us and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of the Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a 'Nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.

- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, transactions with the related parties during the year were in compliance with sections 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. Provisions of Section 177 of the Act are not applicable to the Company.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued till date, for the period under audit.
- (xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order are not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) has two Core Investment Companies (CICs) as part of the Group.
- (xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.
- (xxi) This report is issued on the standalone financial statements of the Company, accordingly paragraph 3 (xxi) of the order is not applicable

**For BATLIBOI & PUROHIT**

*Chartered Accountants*

Firm Reg. No.: 101048W

**Kaushal Mehta**

Partner

Membership No: 111749

Place: Mumbai

Date: May 28, 2022

ICAI UDIN: 22111749AJVGQY5369

## **Annexure - B to the Auditors' 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 **Forbes Facility Services Pvt Limited** ("the Company") as of March 31, 2022 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 authorizations 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 March 31, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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: May 28, 2022  
ICAI UDIN: 22111749AJVGQY5369



Forbes Facility Services Private Limited

Balance sheet as at March 31, 2022

		Amt in Rs.	
	Notes	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	4	5,04,87,042	5,12,48,038
Right of use Assets		81,49,394	1,36,06,482
<b>Financial assets</b>			
Other financial assets	6	2,00,35,705	1,42,92,886
Tax assets			
Deferred Tax Asset (Net)	14	3,24,33,176	2,78,33,515
Tax Asset (Net)	18	<u>10,34,97,822</u>	<u>9,32,67,868</u>
Other non-current assets	9	3,86,820	10,86,974
<b>Total Non-current Assets</b>		<b><u>21,49,89,959</u></b>	<b><u>20,13,35,763</u></b>
<b>Current Assets</b>			
Inventories	7	2,05,92,566	3,27,49,647
<b>Financial assets</b>			
Trade receivables	5	29,42,20,206	37,83,95,481
Cash and cash equivalents	8	91,01,385	1,36,61,681
Bank balances other than cash and cash equivalents	8	5,93,769	6,24,105
Other financial assets	6	<u>17,49,828</u>	<u>16,83,772</u>
Other current assets	9	16,72,350	18,82,029
<b>Total Current Assets</b>		<b><u>32,79,30,104</u></b>	<b><u>42,89,96,715</u></b>
<b>Total Assets</b>		<b><u>54,29,20,063</u></b>	<b><u>63,03,32,478</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	1,00,00,000	1,00,00,000
Other Equity	11	3,72,18,672	9,30,03,218
<b>Total Equity</b>		<b><u>4,72,18,672</u></b>	<b><u>10,30,03,218</u></b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
<b>Financial Liabilities</b>			
Lease Liabilities		56,40,116	1,05,56,271
Provisions	13	9,73,136	6,18,049
<b>Total Non-current Liabilities</b>		<b><u>66,13,252</u></b>	<b><u>1,11,74,320</u></b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Short term borrowings	16	12,86,71,216	15,82,45,065
Trade and other payables:	17		
Total outstanding dues to Micro enterprise and small enterprise		46,97,515	1,67,46,039
Total outstanding dues to creditors other than Micro enterprise and small enterprise		12,38,32,247	12,42,55,371
Lease Liabilities		47,50,353	47,17,008
Other financial liabilities	12	<u>14,55,68,670</u>	<u>14,98,98,507</u>
Provisions	13	4,62,21,171	3,77,32,231
Other current liabilities	15	3,53,46,967	2,45,60,719
<b>Total Current Liabilities</b>		<b><u>48,90,88,139</u></b>	<b><u>51,61,54,940</u></b>
<b>Total Liabilities</b>		<b><u>49,57,01,391</u></b>	<b><u>52,73,29,260</u></b>
<b>Total Equity and Liabilities</b>		<b><u>54,29,20,063</u></b>	<b><u>63,03,32,478</u></b>

The accompanying notes from 1 to 41 form an integral part of these financial statements.

As per our report of even date  
**For BATLIBOI & PUROHIT**  
 Chartered Accountants  
 Firm Regn No. 101048W

For and behalf of the Board of Directors of Forbes Facility  
 Services Private Limited

Mr. V Surendran  
 Director  
 (DIN- 07322381)

Mr. Pankaj Khattar  
 Director  
 (DIN-0000009423)

**Kaushal Mehta**  
 Partner  
 Membership No. 111749

Mr. Vinay Deshmukh  
 Executive Director & CEO  
 (DIN-07153755)

Mumbai , Dated : 28 May 2022

Mumbai , Dated: 28 May 2022

Forbes Facility Services Private Limited

Statement of Profit and Loss for the year ended March 31, 2022

		Amt in Rs.	
	Notes	2021-22	2020-21
<b>Income</b>			
Revenue from Operations	19	1,68,59,39,645	1,52,01,84,346
Other income and other gains / (losses)	20	93,39,483	91,63,380
<b>Total Income</b>		<b>1,69,52,79,128</b>	<b>1,52,93,47,726</b>
<b>Expenses</b>			
Cost of Services		3,34,14,186	5,16,46,283
Consumption of Food & Beverages and Consumables	21	53,50,66,269	39,63,45,682
Employee benefits expense	22	1,02,14,17,936	94,79,26,472
Finance costs	23	1,66,10,045	1,93,06,386
Depreciation and amortisation expense	24	2,04,18,208	2,05,13,135
Other expenses	25	8,51,05,029	7,18,20,016
<b>Total expenses</b>		<b>1,71,20,31,673</b>	<b>1,50,75,57,974</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(1,67,52,545)</b>	<b>2,17,89,752</b>
Add/ (Less) : Exceptional items			
<b>Profit/(Loss) before tax</b>		<b>(1,67,52,545)</b>	<b>2,17,89,752</b>
Less: Tax expense			
Current tax	26	3,93,215	-
Earlier year tax	26	2,46,00,017	(38,73,409)
Deferred tax	28	91,259	45,86,720
		<b>2,50,84,491</b>	<b>7,13,311</b>
<b>Profit/(Loss) for the year</b>		<b>(4,18,37,036)</b>	<b>2,10,76,441</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit &amp; loss</b>			
Remeasurements of the defined benefit plans		(1,86,38,430)	1,16,62,098
Income tax relating to items that will not be reclassified to profit & loss		46,90,920	(29,35,117)
		<b>(1,39,47,510)</b>	<b>87,26,981</b>
<b>Items that may be reclassified to profit or loss</b>			
<b>Total other comprehensive income</b>		<b>(1,39,47,510)</b>	<b>87,26,981</b>
<b>Total comprehensive income for the Year</b>		<b>(5,57,84,546)</b>	<b>2,98,03,422</b>
Earnings per equity share			
Basic & Diluted (in Rs.)	29	<b>(41.84)</b>	<b>21.08</b>

The accompanying notes from 1 to 41 form an integral part of these financial statements.

As per our report of even date  
**For BATLIBOI & PUROHIT**  
*Chartered Accountants*  
 Firm Regn No. 101048W

For and behalf of the Board of Directors of Forbes Facility  
 Services Private Limited

**Kaushal Mehta**  
*Partner*  
 Membership No. 111749  
 Mumbai , Dated : 28 May 2022

Mr. V Surendran  
 Director  
 (DIN- 07322381)

Mr. Pankaj Khattar  
 Director  
 (DIN-0000009423)

Mr. Vinay Deshmukh  
 Executive Director & CEO  
 (DIN-07153755)  
 Mumbai , Dated: 28 May 2022

**Forbes Facility Services Private Limited**

**Statement of changes in equity for the year ended March 31, 2022**

**A. Equity Share Capital**

As at March 31, 2022

Amt in Rs.

Balance as at April 1, 2021	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the year	Balance as at March 31, 2022
1,00,00,000	-	1,00,00,000	-	1,00,00,000

As at March 31, 2021

Amt in Rs.

Balance as at April 1, 2020	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in Equity Share Capital during the year	Balance as at March 31, 2021
1,00,00,000	-	1,00,00,000	-	1,00,00,000

**B. Other Equity**

As at March 31, 2022

Amt in Rs.

Particulars	Reserves and surplus	
	Retained earnings	Total
<b>Balance at April 1, 2021</b>	<b>9,30,03,218</b>	<b>9,30,03,218</b>
Profit for the year	(4,18,37,036)	(4,18,37,036)
Other comprehensive income for the year, net of income tax	(1,39,47,510)	(1,39,47,510)
<b>Total comprehensive income for the year</b>	<b>(5,57,84,546)</b>	<b>(5,57,84,546)</b>
<b>Balance at March 31, 2022</b>	<b>3,72,18,672</b>	<b>3,72,18,672</b>

As at March 31, 2021

Amt in Rs.

Particulars	Reserves and surplus	
	Retained earnings	Total
<b>Balance at April 1, 2020</b>	<b>6,31,99,796</b>	<b>6,31,99,796</b>
Profit for the year	2,10,76,441	2,10,76,441
Other comprehensive income for the year, net of income tax	87,26,981	87,26,981
<b>Total comprehensive income for the year</b>	<b>2,98,03,422</b>	<b>2,98,03,422</b>
<b>Balance at March 31, 2021</b>	<b>9,30,03,218</b>	<b>9,30,03,218</b>

As per our report of even date  
**For BATLIBOI & PUROHIT**

For and behalf of the Board of Directors of Forbes Facility Services Private Limited

Chartered Accountants  
Firm Regn No. 101048W

Mr. V Surendran  
Director  
(DIN- 07322381)

Mr. Pankaj Khattar  
Director  
(DIN-0000009423)

**Kaushal Mehta**

Partner  
Membership No. 111749  
Mumbai , Dated : 28 May 2022

Mr. Vinay Deshmukh  
Executive Director & CEO  
(DIN-07153755)  
Mumbai , Dated: 28 May 2022

Forbes Facility Services Private Limited

Cash Flow Statement for the year ended March 31, 2022

Amt in Rs.

	2021-22	2020-21
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the year	(1,67,52,545)	2,17,89,752
<b>Adjustments for:</b>		
Finance costs recognised in profit or loss	1,53,23,420	1,77,42,746
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116	12,29,688	15,63,640
Interest Income	(3,68,621)	(15,80,160)
Provision of doubtful debts, advances and other current assets	-	39,56,432
Provision no longer required written back	(61,95,246)	-
Bad debts and deposits written off	1,45,98,917	1,96,401
Bad debts recovered	-	(12,21,333)
Liability no longer payable written back	(20,69,314)	(63,04,673)
Depreciation and amortisation of non-current assets	1,59,04,110	1,57,27,524
Amortisation of Financial Leased assets as per Ind AS 116	45,14,098	47,85,611
(Profit)/ loss on sale of assets	13,83,260	-
Net foreign exchange (gain)/loss - unrealised	(5,238)	(57,214)
	<b>2,75,62,529</b>	<b>5,65,98,726</b>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	7,59,30,422	2,58,28,123
(Increase)/decrease in inventories	1,21,57,081	(42,42,942)
(Increase)/decrease in current Other Assets	1,73,959	22,42,833
(Increase)/decrease in non current Other Financial Assets	(50,42,665)	(31,66,397)
Increase/ (Decrease) in trade and other payables	(1,04,02,334)	(2,31,79,108)
Increase/(Decrease) in provisions	(51,03,483)	(85,97,188)
Increase/(Decrease) in other liabilities	64,56,411	(3,12,83,870)
	<b>7,41,69,391</b>	<b>(4,23,98,549)</b>
<b>Cash generated from operations</b>	<b>10,17,31,920</b>	<b>1,42,00,177</b>
Income taxes paid	(3,99,14,106)	69,91,559
<b>Net cash generated by operating activities</b>	<b>6,18,17,814</b>	<b>2,11,91,736</b>
<b>Cash flows from investing activities</b>		
Interest received	3,68,621	14,64,646
Payments for property, plant and equipment	(1,66,79,954)	(99,54,108)
<b>Net cash (used in)/generated by investing activities</b>	<b>(1,63,11,333)</b>	<b>(84,89,462)</b>
<b>Cash flows from financing activities</b>		
Net increase / (decrease) in working capital borrowings	(2,95,73,849)	95,10,407
Interest paid	(1,53,23,420)	(1,77,42,746)
Payment of Lease Liability as per Ind AS 116	(51,69,508)	(47,85,098)
<b>Net cash used in financing activities</b>	<b>(5,00,66,777)</b>	<b>(1,30,17,437)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(45,60,296)</b>	<b>(3,15,163)</b>
Cash and cash equivalents at the beginning of the year	1,36,61,681	1,39,76,844
<b>Cash and cash equivalents at the end of the year</b>	<b>91,01,385</b>	<b>1,36,61,681</b>
Changes in carrying amount of financial liabilities included under financing activities under cash flow statement:		
	2021-22	2020-21
Opening balance	15,82,45,065	14,87,34,658
Changes due to cash flow	(2,95,73,849)	95,10,407
Non cash change	-	-
<b>Closing balance</b>	<b>12,86,71,216</b>	<b>15,82,45,065</b>

As per our report of even date  
**For BATLIBOI & PUROHIT**  
 Chartered Accountants  
 Firm Regn No. 101048W

For and behalf of the Board of Directors of Forbes Facility  
 Services Private Limited

Mr. V Surendran  
 Director  
 (DIN- 07322381)

Mr. Pankaj Khattar  
 Director  
 (DIN-0000009423)

**Kaushal Mehta**  
 Partner  
 Membership No. 111749  
 Mumbai , Dated : 28 May 2022

Mr. Vinay Deshmukh  
 Executive Director & CEO  
 (DIN-07153755)  
 Mumbai , Dated: 28 May 2022

## Forbes Facility Services Private Limited

Notes to the financial statements for the year ended 31 March 2022

## 4. Property Plant &amp; Equipment

Amt in Rs.

Cost or Deemed Cost	Plant and Machinery	Electrical Installation & Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	ROU Assets	Total
As at 1st April 2020	15,67,88,415	18,35,311	20,80,254	10,97,676	82,01,754	76,07,818	1,87,21,058	19,63,32,286
Additions	86,33,213	-	5,68,858	2,23,125	-	5,28,912	41,63,954	1,41,18,062
Deletions	-	-	-	-	-	-	1,36,091	1,36,091
<b>As at 31 March 2021</b>	<b>16,54,21,628</b>	<b>18,35,311</b>	<b>26,49,112</b>	<b>13,20,801</b>	<b>82,01,754</b>	<b>81,36,730</b>	<b>2,27,48,921</b>	<b>21,03,14,257</b>
Additions	1,37,76,286	69,360	2,12,856	-	9,85,739	16,35,713	7,17,323	1,73,97,277
Deletions	2,57,49,493	-	14,000	-	-	1,79,560	16,60,313	2,76,03,366
<b>As at 31 March 2022</b>	<b>15,34,48,421</b>	<b>19,04,671</b>	<b>28,47,968</b>	<b>13,20,801</b>	<b>91,87,493</b>	<b>95,92,883</b>	<b>2,18,05,931</b>	<b>20,01,08,168</b>

Depreciation	Plant and Machinery	Electrical Installation & Equipment	Office Equipment	Furniture and fixtures	Vehicles	Computers	ROU Assets	Total
As at 1st April 2020	10,99,09,984	6,06,289	9,28,124	5,99,587	30,89,300	54,56,490	43,56,828	12,49,46,602
Charge for the year	1,27,41,576	3,34,144	3,90,399	1,39,960	11,79,468	9,41,977	47,85,611	2,05,13,135
Deletions	-	-	-	-	-	-	-	-
<b>As at 31 March 2021</b>	<b>12,26,51,560</b>	<b>9,40,433</b>	<b>13,18,523</b>	<b>7,39,547</b>	<b>42,68,768</b>	<b>63,98,467</b>	<b>91,42,439</b>	<b>14,54,59,737</b>
Charge for the year	1,26,65,399	3,20,864	4,39,561	1,63,256	12,75,517	10,39,514	45,14,098	2,04,18,209
Deletions	2,42,31,651	-	1,725	-	-	1,72,838	-	2,44,06,214
<b>As at 31 March 2022</b>	<b>11,10,85,308</b>	<b>12,61,297</b>	<b>17,56,359</b>	<b>9,02,803</b>	<b>55,44,285</b>	<b>72,65,143</b>	<b>1,36,56,537</b>	<b>14,14,71,732</b>
<b>Net Block</b>								
<b>As at 31 March 2021</b>	<b>4,27,70,068</b>	<b>8,94,878</b>	<b>13,30,589</b>	<b>5,81,254</b>	<b>39,32,986</b>	<b>17,38,263</b>	<b>1,36,06,482</b>	<b>6,48,54,520</b>
<b>As at 31 March 2022</b>	<b>4,23,63,113</b>	<b>6,43,374</b>	<b>10,91,609</b>	<b>4,17,998</b>	<b>36,43,208</b>	<b>23,27,740</b>	<b>81,49,394</b>	<b>5,86,36,436</b>

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**5. Trade receivables**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Trade receivables</b>				
Trade Receivables considered good - Unsecured	-	-	26,76,82,269	26,78,69,254
Trade Receivables considered good - dues from related parties	-	-	3,77,62,829	12,21,98,040
			30,54,45,098	39,00,67,294
Less: Allowance for bad and doubtful debts	-	-	1,12,24,892	1,16,71,813
<b>Total</b>	-	-	<b>29,42,20,206</b>	<b>37,83,95,481</b>

5.1 The average credit period of sale is between 30-45 days

5.2 The above trade receivables are hypothecated to Axis and HDFC Bank for cash credit facility.

5.3 The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

Particulars	Collective impairments (INR)
Balance as at April 1, 2020	77,15,381
Change in allowance for Expected credit loss & credit impairment	39,56,432
Trade receivables written off	-
<b>Balance as at March 31, 2021</b>	<b>1,16,71,813</b>
Change in allowance for Expected credit loss & credit impairment	(4,46,921)
Trade receivables written off	-
<b>Balance as at March 31, 2022</b>	<b>1,12,24,892</b>

5.4 Ageing for trade receivables - Current outstanding as at March 31, 2022 is as follows:

Amt in Rs.

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 years	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	22,64,06,710	1,80,73,576	1,25,10,650	1,39,80,660	90,32,083	16,17,208	28,16,20,887
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	6,13,589	31,62,178	35,20,241	1,65,28,203.00	2,38,24,211
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>22,64,06,710</b>	<b>1,80,73,576</b>	<b>1,31,24,239</b>	<b>1,71,42,838</b>	<b>1,25,52,324</b>	<b>1,81,45,411</b>	<b>30,54,45,098</b>
Less: Allowance for doubtful trade receivable- Billed	-	-	-	-	-	-	-	1,12,24,892
<b>Total</b>	-	<b>22,64,06,710</b>	<b>1,80,73,576</b>	<b>1,31,24,239</b>	<b>1,71,42,838</b>	<b>1,25,52,324</b>	<b>1,81,45,411</b>	<b>29,42,20,206</b>

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

Ageing for trade receivables - Current outstanding as at March 31, 2021 is as follows:

Amt in Rs.

Particulars	Outstanding for following periods from due date of payment							Total Outstanding
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	22,43,61,045	5,07,03,851	4,66,36,374	4,07,92,091	50,17,724	26,59,867	37,01,70,952
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	2,59,781	6,58,284	1,02,50,381	87,27,896	1,98,96,342
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>22,43,61,045</b>	<b>5,07,03,851</b>	<b>4,68,96,155</b>	<b>4,14,50,375</b>	<b>1,52,68,105</b>	<b>1,13,87,763</b>	<b>39,00,67,294</b>
Less: Allowance for doubtful trade receivable- Billed	-	-	-	-	-	-	-	1,16,71,813
<b>Total</b>	-	<b>22,43,61,045</b>	<b>5,07,03,851</b>	<b>4,68,96,155</b>	<b>4,14,50,375</b>	<b>1,52,68,105</b>	<b>1,13,87,763</b>	<b>37,83,95,481</b>

**6. Other financial assets**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Bank deposits with more than 12 months maturity	33,08,784	30,34,926	-	-
Security Deposits:				
Unsecured considered good	1,67,26,921	1,12,57,960	-	-
Unsecured considered Doubtful	-	57,48,326	-	-
Less: Allowance for bad and doubtful deposits	-	57,48,326	-	-
	1,67,26,921	1,12,57,960	-	-
Interest Accrued - on fixed deposits with Banks	-	-	65,627	1,24,327
Loans and Advances to Related parties	-	-	16,84,201	15,59,445
<b>Total</b>	<b>2,00,35,705</b>	<b>1,42,92,886</b>	<b>17,49,828</b>	<b>16,83,772</b>

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

6.1 Particulars of loan given as required by clause (4) of section 186 of Companies Act, 2013

Name	During the year		Closing balance INR	Due Date	Rate of Interest	Purpose
	Given	Returned				
Forbes Concept Hospitality services Pvt Ltd	-	-	16,84,201	March 31, 2023	8.00%	General corporate purpose

6.2 The movement in the allowance for impairment in respect of deposits, loans and advances during the year was as follows

Particulars	Collective impairments (INR)
Balance as at April 1, 2020	57,48,326
Change in allowance for credit impairment	-
Amounts written off	-
<b>Balance as at March 31, 2021</b>	<b>57,48,326</b>
Change in allowance for credit impairment	-
Amounts written off	57,48,326
<b>Balance as at March 31, 2022</b>	<b>-</b>

6.3 Outstanding balance of loans and advances given to promoters, directors, KMP's and related parties

Particulars	As at March 31, 2022		As at March 31, 2021	
	Amt in Rs	% of Total	Amt in Rs	% of Total
Promoters	-	-	-	-
Directors	-	-	-	-
KMP's	-	-	-	-
Related Parties	16,84,201	100	15,59,445	100
<b>Total</b>	<b>16,84,201</b>	<b>100</b>	<b>15,59,445</b>	<b>100</b>

**7. Inventories**

Particulars	Amt in Rs.	
	As at March 31, 2022	As at March 31, 2021
<b>Inventories (lower of cost and net realisable value)</b>		
Food & Beverages consumables	1,03,01,026	1,62,31,255
House keeping consumables and others	1,02,91,540	1,65,18,392
<b>Total</b>	<b>2,05,92,566</b>	<b>3,27,49,647</b>

7.1 The above inventories are hypothecated to Axis and HDFC Bank Ltd for cash credit facility.



**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**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	Amt in Rs.	
	As at March 31, 2022	As at March 31, 2021
Balances with Banks in current accounts	74,11,301	1,20,33,976
Bank deposits (with original maturity of less than 3 months)	6,47,855	7,84,086
Cash on hand	10,42,229	8,43,619
<b>Total Cash &amp; Cash Equivalents</b>	<b>91,01,385</b>	<b>1,36,61,681</b>

**Bank Balances other than Cash & Cash Equivalents**

Deposits with original maturity of more than 3 months but less than 12 months

	5,93,769	6,24,105
<b>Total Bank Balances other than Cash &amp; Cash Equivalents</b>	<b>5,93,769</b>	<b>6,24,105</b>

Cash and cash equivalents as per statement of cash flow statement

91,01,385                      1,36,61,681

**9. Other assets**

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	-	-	11,91,388	7,37,273
Balance with statutory/ government authorities	1,22,500	1,22,500	-	-
Capital Advances	2,64,320	9,64,474	-	-
Advances to parties	-	-	4,80,962	11,44,756
<b>Total</b>	<b>3,86,820</b>	<b>10,86,974</b>	<b>16,72,350</b>	<b>18,82,029</b>

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**10. Equity Share Capital**

Particulars	Amt in Rs.	
	As at March 31, 2022	As at March 31, 2021
<b>Authorised Share capital :</b> 20,00,000 fully paid equity shares of ₹ 10 each	2,00,00,000	2,00,00,000
<b>Issued and subscribed capital comprises:</b> 10,00,000 fully paid equity shares of Rs.10 each	1,00,00,000	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>	<b>1,00,00,000</b>

**10.1 Fully paid equity shares**

Particulars	Amt in Rs.	
	Number of shares	Share capital
Balance at April 1, 2020	10,00,000	1,00,00,000
Add: Issued during the year	-	-
Balance at March 31, 2021	10,00,000	1,00,00,000
Add: Issued during the year	-	-
<b>Balance at March 31, 2022</b>	<b>10,00,000</b>	<b>1,00,00,000</b>

Fully paid equity shares have a par value of Rs.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, 2022	As at March 31, 2021
Eureka Forbes Limited	-	10,00,000
Forbes & Company Limited	10,00,000	-
<b>Total as at the end of the period</b>	<b>10,00,000</b>	<b>10,00,000</b>

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
<b>Fully paid equity shares</b>				
Eureka Forbes Limited	-	0%	10,00,000	100%
Forbes & Company Limited	10,00,000	100%	-	0%
<b>Total</b>	<b>10,00,000</b>	<b>100%</b>	<b>10,00,000</b>	<b>100%</b>

**10.4 Disclosure of shareholding of Promoters**

Disclosure of shareholding of promoters is as follows:

Promoter name	As at March 31, 2022		As at March 31, 2021		% change during the year
	Number of shares held	percentage of total shares	Number of shares held	percentage of total shares	
Eureka Forbes Limited	-	0%	10,00,000	100%	-100%
Forbes & Company Limited	10,00,000	100%	-	0%	100%

Pursuant to the Composite Scheme of Arrangement ("The scheme") filed by erstwhile parent company Eureka Forbes Limited under section 232 read with section 230 and other applicable provisions of the Companies Act 2013 and the rules and regulation made thereunder as approved by NCLT order dated 25 Jan 2022 effective from 1st February 2022, the company ceases to be a wholly owned subsidiary of Eureka Forbes Limited and becomes a wholly owned subsidiary of Forbes & Company Limited from that date.

**11. Other equity**

Particulars	Amt in Rs.	
	As at March 31, 2022	As at March 31, 2021
<b>Retained earnings</b>		
Balance at beginning of year	9,30,03,218	6,31,99,796
Add/ (less): Profit/ (loss) for the year	(4,18,37,036)	2,10,76,441
Other comprehensive income arising from re-measurement of defined benefit	(1,39,47,510)	87,26,981
<b>Total</b>	<b>3,72,18,672</b>	<b>9,30,03,218</b>

Note: Retained earnings represents net profit after disturbance and transfer to other reserves.

## Forbes Facility Services Private Limited

### Notes to the financial statements for the year ended March 31, 2022

#### 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 as detailed in Note 8) 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	As at
	March 31, 2022	March 31, 2021
Debt (i)	12,86,71,216	15,82,45,065
Less: Cash and Bank balances	96,95,154	1,42,85,786
Net debt	11,89,76,062	14,39,59,279
Equity (ii)	4,72,18,672	10,30,03,218
<b>Net debt to equity ratio (%)</b>	<b>2.52</b>	<b>1.40</b>

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**12. Other financial liabilities**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Dues to employees	-	-	10,43,07,196	9,78,09,567
Provision for expenses	-	-	74,76,306	2,20,22,885
Other Payables				
-Deductions from employees for company's assets	-	-	76,86,155	92,36,021
-To related parties (refer note 34)	-	-	2,60,99,013	2,08,30,034
<b>Total</b>	-	-	<b>14,55,68,670</b>	<b>14,98,98,507</b>

**13. Provisions**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Compensated absences	9,73,136	6,18,049	59,98,847	1,37,56,087
Gratuity payable	-	-	4,02,22,324	2,39,76,144
<b>Total</b>	<b>9,73,136</b>	<b>6,18,049</b>	<b>4,62,21,171</b>	<b>3,77,32,231</b>

**14. Deferred tax balances**

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

Amt in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax assets	3,24,33,176	2,78,33,515
Deferred tax liabilities	-	-
<b>Net</b>	<b>3,24,33,176</b>	<b>2,78,33,515</b>

Refer Note 28 for movement in deferred tax assets / (liabilities).

**15. Other Liabilities**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Statutory liabilities (Contributions to PF,Pension, ESIC,TDS, GST)	-	-	3,53,46,967	2,45,60,719
<b>Total</b>	-	-	<b>3,53,46,967</b>	<b>2,45,60,719</b>

**16. Current Borrowings**

Amt in Rs.

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured - at amortised cost</b>		
Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) and (ii) below	12,86,71,216	15,82,45,065
<b>Total</b>	<b>12,86,71,216</b>	<b>15,82,45,065</b>

(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 @ 9.25 % and 9.95% p.a. respectively.

(ii) The Company has filed the quarterly returns or statements of current assets which are generally in agreement with the books of accounts. However, there are few variances in the table given below. The variances are due to pending few receipt entries and quarterly closing is done subsequent to the monthly statements are filed with the Bank.

Amt in Rs.

Quarter	Name of bank	Particulars of security provided	Amount as per books of accounts	Amount as reported in quarterly return/ statement	Amount of difference
Jun-21	AXIS BANK LTD / HDFC BANK LTD	Stock & Debtors	37,97,86,997	38,22,44,951	(24,57,954)
Sep-21	AXIS BANK LTD / HDFC BANK LTD	Stock & Debtors	36,32,53,349	37,57,14,878	(1,24,61,529)
Dec-21	AXIS BANK LTD / HDFC BANK LTD	Stock & Debtors	33,69,70,770	34,80,83,234	(1,11,12,464)
Mar-22	AXIS BANK LTD / HDFC BANK LTD	Stock & Debtors	32,60,43,940	33,58,77,009	(98,33,069)

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**17. Trade payables**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (Refer note below)	-	-	46,97,515	1,67,46,039
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	12,38,32,247	12,42,55,371
<b>Total</b>	-	-	<b>12,85,29,762</b>	<b>14,10,01,410</b>

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

Amt in Rs.

Particulars	As at 31 March 2022	As at 31 March 2021
(i) Principal amount remaining unpaid to MSME suppliers as on year end	46,97,515	1,67,46,039
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	39,079	1,11,275
(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.

17.3 Ageing for trade payable outstanding as at March 31, 2022 is as follows:

Amt in Rs.

Particulars	Outstanding for folloing periods from due date of payment					Total Outstanding
	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	20,95,399	24,70,028	1,32,088	-	-	46,97,515
Others	9,34,03,842	1,80,42,274	49,23,994	6,32,246	68,29,891	12,38,32,247
Disputed Dues - Others	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-
<b>Total</b>	<b>9,54,99,241</b>	<b>2,05,12,302</b>	<b>50,56,082</b>	<b>6,32,246</b>	<b>68,29,891</b>	<b>12,85,29,762</b>

Ageing for trade payable outstanding as at March 31, 2021 is as follows:

Amt in Rs.

Particulars	Outstanding for folloing periods from due date of payment					Total Outstanding
	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	
MSME	1,43,60,479	23,82,549	2,494	517	-	1,67,46,039
Others	8,12,16,770	73,01,678	1,38,50,823	68,28,123	1,50,57,976	12,42,55,371
Disputed Dues - Others	-	-	-	-	-	-
Disputed Dues - MSME	-	-	-	-	-	-
<b>Total</b>	<b>9,55,77,250</b>	<b>96,84,227</b>	<b>1,38,53,317</b>	<b>68,28,640</b>	<b>1,50,57,976</b>	<b>14,10,01,410</b>

**18. Tax Asset (Net)**

Amt in Rs.

Particulars	Non Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Income tax assets ( Net)</b>				
Advance income-tax (Net of provision of taxation)	10,34,97,822	9,32,67,868	-	-
<b>Total</b>	<b>10,34,97,822</b>	<b>9,32,67,868</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements for the year ended March 31, 2022

## 19. Revenue from operations

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from contracts with customers</b>		
Sale of Food & Beverages	65,79,51,716	52,11,14,911
Facility Management services	1,02,79,87,929	99,90,69,435
<b>Total</b>	<b>1,68,59,39,645</b>	<b>1,52,01,84,346</b>

## 20. Other Income and other gains/ (losses)

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Interest Income:</b>		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
-Bank deposits (at amortised cost)	2,42,726	3,37,051
-Interest on income tax refund	-	11,27,595
-Interest other	1,25,895	1,15,514
<b>Other income:</b>		
-Liabilities no longer payable written back	20,69,314	63,04,673
-Miscellaneous income	7,01,064	-
-Bad debts recovered	-	12,21,333
-Provision for doubtful debts no longer required written back	61,95,246	-
<b>Other gains/(losses)</b>		
Foreign exchange gain/ (loss)	5,238	57,214
<b>Total</b>	<b>93,39,483</b>	<b>91,63,380</b>

## 21. Cost of materials consumed

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Consumption of Consumables</b>		
Inventory at the beginning of the year	1,65,18,392	1,42,30,644
Add : Purchases	7,82,09,542	6,43,49,361
	9,47,27,934	7,85,80,005
Less : Inventory at the end of the year	(1,02,91,540)	(1,65,18,392)
	8,44,36,394	6,20,61,613
<b>Consumption of Foods &amp; Beverages</b>		
Inventory at the beginning of the year	1,62,31,255	1,42,76,061
Add : Purchases	44,46,99,646	33,62,39,263
	46,09,30,901	35,05,15,324
Less : Inventory at the end of the year	(1,03,01,026)	(1,62,31,255)
	45,06,29,875	33,42,84,069
<b>Total</b>	<b>53,50,66,269</b>	<b>39,63,45,682</b>

## 22. Employee benefits expense

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and Wages	90,03,65,017	82,58,13,012
Contribution to provident and other funds	11,08,47,983	10,70,82,347
Staff Welfare Expenses	1,02,04,936	1,50,31,113
<b>Total</b>	<b>1,02,14,17,936</b>	<b>94,79,26,472</b>

## 23. Finance costs

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on bank cash credit facility	1,53,23,420	1,77,42,746
Interest on unwinding of lease	12,29,688	15,63,640
<b>Total</b>	<b>1,66,10,045</b>	<b>1,93,06,386</b>

## Notes to the financial statements for the year ended March 31, 2022

## 24. Depreciation and amortisation expense

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	1,59,04,110	1,57,27,524
Amortisation of Right of use assets	45,14,098	47,85,611
<b>Total</b>	<b>2,04,18,208</b>	<b>2,05,13,135</b>

## 25. Other expenses

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
Electricity	10,06,888	8,30,427
Rent	1,67,24,138	1,61,95,901
Repairs and Maintenance -		
Machinery	46,86,921	12,99,996
Others	16,17,755	16,36,603
Insurance	24,80,342	41,13,663
Advertisement	8,03,392	7,49,773
Selling and Sales Promotion	58,838	48,727
Payment to Auditors (Refer details Below)	8,80,182	8,84,283
Printing and Stationery	46,40,736	23,68,368
Communication cost	36,54,370	30,77,118
Travelling and Conveyance	1,10,50,347	87,17,694
Legal and Professional Fees	72,44,048	91,65,821
Vehicle Running Expenses	6,20,470	3,93,791
Rates and taxes, excluding taxes on income	38,79,457	36,94,200
Information Technology Expenses	-	48,76,518
Other Establishment Expenses	96,42,232	94,07,262
Directors' Sitting Fees	1,32,736	2,07,038
Bad Debts/ Deposits Written-Off	1,45,98,917	1,96,401
Provision for Doubtful Debts/ Deposits	-	39,56,432
Loss on discard of assets	13,83,260	-
<b>Total</b>	<b>8,51,05,029</b>	<b>7,18,20,016</b>

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
a) For audit	5,25,000	5,25,000
b) For taxation matters	1,00,000	1,00,000
c) For other services	2,55,000	2,55,000
d) For reimbursement of expenses	182	4,283
<b>Total</b>	<b>8,80,182</b>	<b>8,84,283</b>

## 26. Income taxes

## 26.1 Income tax recognised in profit or loss

Particulars	Amt in Rs.	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Current tax</b>		
In respect of the current year	3,93,215	-
In respect of prior years	2,46,00,017	(38,73,409)
	2,49,93,232	(38,73,409)
<b>Deferred tax</b>		
In respect of the current year	91,259	45,86,720
<b>Total</b>	<b>2,50,84,491</b>	<b>7,13,311</b>

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2022

Note 27: Tax Reconciliation

Tax expense

(a) Amounts recognised in profit and loss

Amt in Rs.

Particulars	2021-22	2020-21
Current income tax	3,93,215	-
Deferred income tax liability / (asset), net Origination and reversal of temporary differences	91,259	45,86,720
Taxes of earlier years	2,46,00,017	(38,73,409)
<b>Total Tax expense for the year</b>	<b>2,50,84,491</b>	<b>7,13,311</b>

(b) Amounts recognised in other comprehensive income

Amt in Rs.

Particulars	2021-22			2020-21		
	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	1,86,38,430	46,90,920	1,39,47,510	(1,16,62,098)	(29,35,117)	(87,26,981)
<b>Total</b>	<b>1,86,38,430</b>	<b>46,90,920</b>	<b>1,39,47,510</b>	<b>(1,16,62,098)</b>	<b>(29,35,117)</b>	<b>(87,26,981)</b>

(c) Reconciliation of effective tax rate

Amt in Rs.

Particulars	2021-22	2020-21
<b>Profit/(Loss) before tax</b>	<b>(1,67,52,545)</b>	<b>2,17,89,752</b>
Tax using the Company's domestic tax rate (Current year 25.168% and Previous Year 25.168%)	(42,16,281)	54,84,045
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income:</b>		
1. On account of disallowance of expenses	47,00,755	2,34,120
2. Reduction in deferred taxes assets resulting from error in earlier year	-	(11,31,445)
3. On account of earlier year tax adjustments	2,46,00,017	(38,73,409)
	<b>2,50,84,491</b>	<b>7,13,311</b>



**Forbes Facility Services Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**Note 28: Deferred Tax Assets / (Liabilities)**

	Amt in Rs.			
	Opening as on 1.4.2021 Asset	Charge /(Credit) During the year in P&L	Charge /(Credit) During the year in OCI	Closing As At 31.03.2022 Asset
Property Plant & Equipment	82,59,893	5,36,959	-	87,96,852
Lease Liabilities / ROU assets	4,19,499	1,44,535	-	5,64,034
Expenses allowed for tax purpose on payment basis, including Remeasurements of the defined benefit plans	1,47,69,822	7,86,467	46,90,920	2,02,47,209
Provision For Doubtful Debts	43,84,301	(15,59,220)	-	28,25,081
<b>TOTAL</b>	<b>2,78,33,515</b>	<b>(91,259)</b>	<b>46,90,920</b>	<b>3,24,33,176</b>

Provision for Deferred tax	Opening as on 1.4.2020 Asset	Charge /(Credit) During the year in P&L	Charge /(Credit) During the year in OCI	Closing As At 31.03.2021 Asset
Property Plant & Equipment	80,51,275	2,08,618	-	82,59,893
Lease Liabilities / ROU assets	2,39,150	1,80,349	-	4,19,499
Expenses allowed for tax purpose on payment basis, including Remeasurements of the defined benefit plans	2,18,72,710	(41,67,771)	(29,35,117)	1,47,69,822
Provision For Doubtful Debts	33,88,546	9,95,755	-	43,84,301
Accumulated Losses	18,03,671	(18,03,671)	-	-
<b>TOTAL</b>	<b>3,53,55,352</b>	<b>(45,86,720)</b>	<b>(29,35,117)</b>	<b>2,78,33,515</b>

Forbes Facility Services Private Limited

Notes to the financial statements for the year ended March 31, 2022

**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:

Particulars	Amt in Rs.	
	March 31, 2022	March 31, 2021
Profit/(Loss) for the year attributable to equity shareholders	(4,18,37,036)	2,10,76,441
Face value per equity share	10	10
Weighted average number of equity shares	10,00,000	10,00,000
Basic & Diluted earnings per share	<b>(41.84)</b>	<b>21.08</b>

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**Note 30: Contingent liabilities and commitments**

(Rs. In Lakhs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Contingent Liabilities:</b>		
<b>Claims against the Company not acknowledged as debts</b>		
<b>Demands contested by the Company</b>		
(a) Service Tax demands	174.80	174.80
(b) Sales Tax demands	1,439.46	1,178.78
(c) Income Tax	94.57	94.57
(d) legal cases filed by customers	111.42	111.42
<b>Commitments :</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
(b) Other commitments		
- Bank Guarantees	52.00	44.00

**30.1** Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

**30.2** The Company is subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

**Note 31: Lease**

The company has taken certain office premises under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees. The company has not entered into any sublease agreement.

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

Amt in Rs.

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Carrying amount right-of-use assets at beginning of the year	1,36,06,482	1,43,64,230
Additions to right-of-use assets during the year	7,17,323	41,63,954
Deletions to right-of-use assets during the year	16,60,313	1,36,091
Amortisation of right-of-use assets during the year	45,14,098	47,85,611
Interest expense (unwinding of discount) on lease liabilities	12,29,688	15,63,640
Total cash outflows in respect of leases	51,69,508	47,85,099
Carrying amount right-of-use assets at year end	81,49,394	1,36,06,482

- 31.1 Lease rentals of Rs. 1,67,24,138/- (P.Y. Rs.1,61,95,901/-) in respect of short term lease have been recognised in the statement of profit and loss as rent expense.

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**Note 32:**

The disclosures required under IND AS 19 "Employee Benefits are given below :

Employee benefit obligation	Amt in Rs.			
	As at 31 March 2022		As at 31 March 2021	
	Non-current	Current	Non-current	Current
Compensated absences	9,73,136	59,98,847	6,18,049	1,37,56,087
Gratuity	-	4,02,22,324	-	2,39,76,144
	<b>9,73,136</b>	<b>4,62,21,171</b>	<b>6,18,049</b>	<b>3,77,32,231</b>

**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**

Particulars	Amt in Rs.	
	2021-22 Gratuity (partly funded)	2020-21 Gratuity (partly funded)
Present Value of Benefit Obligation at the Beginning of the Period	2,42,04,819	3,11,10,342
Current Service cost	42,69,881	59,24,736
Interest cost	13,50,629	16,95,514
Actuarial (gain)/loss on obligations	1,85,77,667	(1,18,47,624)
Benefit paid	64,23,562	26,78,149
Present Value of Benefit Obligation at the End of the Period	4,19,79,434	2,42,04,819

**b Amount recognised in the statement of profit and loss**

Particulars	Amt in Rs.	
	2021-22 Gratuity (partly funded)	2020-21 Gratuity (partly funded)
Current Service cost	42,69,881	59,24,736
Interest Cost	13,37,869	15,94,183
Actuarial (Gain) or Loss	1,85,77,667	(1,18,47,624)
Expense Recognised in the Statement of Profit and Loss	56,07,750	75,18,919

**c Amount recognised in the Balance sheet**

Particulars	Amt in Rs.	
	2021-22 Gratuity (partly funded)	2020-21 Gratuity (partly funded)
Present value of benefit obligation at the beginning of the year	2,39,76,144	2,92,51,051
Expenses Recognised in statement of profit & Loss Account	56,07,750	75,18,919
Expenses Recognised in OCI	1,86,38,430	(1,16,62,098)
Benefit directly paid by Employer	-	-
Employer's contribution	80,00,000	11,31,728
Net Liability/ (Asset) Recognised in balance sheet	4,02,22,324	2,39,76,144

**d Amount recognised in other comprehensive income for current period**

Particulars	Amt in Rs.	
	2021-22 Gratuity (partly funded)	2020-21 Gratuity (partly funded)
Actuarial (Gains)/Losses on Obligation For the Period	1,85,77,667	(1,18,47,624)
Return on Plan Assets, Excluding Interest Income	60,763	1,85,526
Change in asset ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	1,86,38,430	(1,16,62,098)

**e Changes in the fair value of plan assets**

Amt in Rs.

Particulars	2021-22	2020-21
	Gratuity (partly funded)	Gratuity (partly funded)
Fair value of plan assets at the beginning of the period	2,28,675	18,59,291
Interest income	12,760	1,01,331
Contribution by the employer	80,00,000	11,31,728
Expected contribution by the employees	-	-
Asset transferred in/ acquisitions	-	-
Asset transferred out/ divestment	-	-
Benefit paid from the fund	64,23,562	26,78,149
Effect of asset selling	-	-
The effect of changes in foreign exchange rates	-	-
Return on plan assets, excluding interest income	60,763	1,85,526
Fair value of plan assets at the end of the period	17,57,110	2,28,675

**f Category of assets**

Amt in Rs.

Particulars	2021-22	2020-21
	Gratuity (partly funded)	Gratuity (partly funded)
Insurance Fund	17,57,110	2,28,675

**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	2021-22	2020-21
Discount Rate	5.15%	5.58%
Expected return on plan assets	5.15%	5.58%
Salary Escalation Rate	3%	2%
<u>Attrition rate</u>		
For service 4 years and below	60%	60%
For service 5 years and above	10%	2%
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

**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 specified 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

Amt in Rs.

Particulars	2021-22	2020-21
Employer's contribution to Provident Fund	2,38,66,315	1,91,21,354
Employer's contribution to Pension Scheme	5,26,14,045	4,88,34,828

**Note 33: 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. Out of the total revenue, no customer has revenue more than 10% during the year.

**Note 34: 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, 2022**

Details required under Ind AS 24 on "Related Party Disclosures " issued by the Institute of Chartered Accountants of India - referred in note no. 34 for the year ended 31st March 2022.

**(1) 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 up to 31 Jan 2022 , Holding Company from 1 Feb 2022)
- 3 Eureka Forbes Ltd (Holding Company up to 31 Jan 2022)

**B. Fellow subsidiaries (where there are transactions during the year)**

- 1 Aquaignis Technologies Pvt. Ltd.( Upto 31st Jan 2022)
- 2 Forbes Enviro Solutions Ltd (Upto 31st Jan 2022)
- 3 Forbes Aquatech Ltd ( Upto 31st Jan 2022)
- 4 Infinite Water Soutions Pvt. Ltd.( Upto 31st Jan 2022)

**C. Enterprises that are under common control (where there are transactions during the year)**

- 1 Forvol International Services Ltd
- 2 Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd
- 3 SP Armada Oil Exploration Pvt. Ltd.
- 4 Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
- 5 Volkart Fleming Shipping & Services Ltd
- 6 Relationship Properties Pvt Ltd
- 7 Shapoorji Pallonji Rural Solutions Pvt Ltd
- 8 HPCL Shapoorji Energy Ltd
- 9 Shapoorji Pallonji Oil And Gas Pvt Ltd
- 10 S D Corporation Pvt Ltd
- 11 Afcon Infrastructure Ltd
- 12 Joyville Shapoorji Housing Pvt Ltd
- 13 Shapoorji Pallonji Finance Pvt Ltd
- 14 Shapoorji Pallonji Investment Advisors Pvt. Ltd.
- 15 Shapoorji Pallonji Development Managers Pvt. Ltd.
- 16 Campbell Properties and Hospitality Services Ltd.
- 17 Forbes Concept Hospitality Services Pvt. Ltd.
- 18 Grand View Estate Pvt. Ltd
- 19 Gossip Properties Pvt. Ltd
- 20 Shapoorji Pallonji Armada Oil & Gas Services Pvt Ltd
- 21 Jaykali Developers Pvt. Ltd.
- 22 Nuevo Consultancy services Pvt Ltd
- 23 Image Realty LLP
- 24 Simar Port Pvt. Ltd
- 25 Shapoorji Pallonji Real Estate Pvt. Ltd
- 26 Next Gen Publishing Ltd.
- 27 Stonesteel Prefab Infra Private Limited (w.e.f. 01/04/2019)
- 28 Coventry Properties Private Limited

**D. Key Managerial Personnel - Mr. Vinay Deshmukh (Executive Director & CEO)**

## (II) Transactions with Related Parties for the year ended 31st March 2022

Nature of Transactions	Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above
<b>Purchases</b>				
Goods and Materials	59,29,518	-	-	-
Fixed Assets	67,28,699	-	-	-
	<b>1,26,58,217</b>	-	-	-
<b>Sales</b>				
Services Rendered	6,20,61,900	22,85,179	9,48,74,029	-
	<b>6,20,61,900</b>	<b>22,85,179</b>	<b>9,48,74,029</b>	-
<b>Expenses</b>				
Rent and other services	-	-	-	-
Repairs & Other Expenses	-	-	-	-
Management Fees and IT expenses	48,78,686	-	-	-
	<b>48,78,686</b>	-	-	-
Remuneration	-	-	-	1,25,96,939
<b>Finance</b>				
Loans and Advances Given	-	-	-	-
Interest on loan given	-	-	1,24,756	-
<b>Outstanding</b>				
Loans and Advances	-	-	16,84,201	-
Trade Payables	-	-	-	-
Other Payables	2,60,99,013	-	-	-
Trade Receivables	70,22,275	7,37,592	3,00,02,963	-

( III ) The above Transaction includes :

Nature of Transactions	A	A	A	B	B	B	B	C	C	C	C
	Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)	Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)	Eureka Forbes Ltd (Holding Company) ( Up to Jan 31st, 2022 )	Aquaignis Technologies Pvt Ltd ( Up to Jan 31st, 2022 )	Forbes Enviro Solutions Ltd. ( Up to Jan 31st, 2022 )	Forbes Aquatech Ltd ( Up to Jan 31st, 2022 )	Infinite WaterSolutions Pvt. Ltd. ( Up to Jan 31st, 2022 )	Forvol International Services Ltd	Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	SP Armada Oil Exploration Pvt. Ltd.	Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
<b>Purchases</b>											
Goods and Materials	-	-	59,29,518	-	-	-	-	-	-	-	-
Fixed Assets	-	-	67,28,699	-	-	-	-	-	-	-	-
	-	-	<b>1,26,58,217</b>	-	-	-	-	-	-	-	-
<b>Sales</b>											
Services Rendered	2,58,23,234	25,79,895	3,36,58,772	2,81,383	4,62,483	7,88,132	7,53,181	2,29,084	21,35,561	91,95,692	4,73,931
	<b>2,58,23,234</b>	<b>25,79,895</b>	<b>3,36,58,772</b>	<b>2,81,383</b>	<b>4,62,483</b>	<b>7,88,132</b>	<b>7,53,181</b>	<b>2,29,084</b>	<b>21,35,561</b>	<b>91,95,692</b>	<b>4,73,931</b>
<b>Expenses</b>											
Rent	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	-	-
Management Fees and IT expenses	48,78,686	-	-	-	-	-	-	-	-	-	-
	<b>48,78,686</b>	-	-	-	-	-	-	-	-	-	-
<b>Finance</b>											
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-
<b>Outstanding</b>											
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Other Payables	2,60,99,013	-	-	-	-	-	-	-	-	-	-
Trade Receivables	50,86,672	5,57,275	13,78,328	29,619	5,37,409	87,752	82,812	46,377	11,52,422	10,68,614	



(III) The above Transaction includes :

Nature of Transactions	C	C	C	C	C	C	C	C	C
	Relationship Properties Pvt Ltd	Shapoorji Pallonji Investment Advisors Pvt. Ltd.	HPCL Shapoorji Energy Ltd	Shapoorji Pallonji Oil And Gas Pvt Ltd	S D Corporation Pvt Ltd	Afcon Infrastructure Ltd	Shapoorji Pallonji Finance Pvt Ltd	Shapoorji Pallonji Development Managers Pvt. Ltd.	Campbell Properties and Hospitality Services Ltd.
<b>Purchases</b>									
Goods and Materials	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Sales</b>									
Services Rendered	55,71,699	2,92,647	6,15,518	13,33,998	(1,07,465)	4,18,97,793	12,20,355	6,62,410	9,23,880
	<b>55,71,699</b>	<b>2,92,647</b>	<b>6,15,518</b>	<b>13,33,998</b>	<b>(1,07,465)</b>	<b>4,18,97,793</b>	<b>12,20,355</b>	<b>6,62,410</b>	<b>9,23,880</b>
<b>Expenses</b>									
Rent	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Finance</b>									
Loans and Advances Given	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
<b>Outstanding</b>									
Loans and Advances	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Trade Receivables	33,16,225	29,000	79,140	2,65,857	39,67,165	61,23,109	1,27,180	6,90,668	1,57,355

(III) The above Transaction includes :

Nature of Transactions	C	C	C	C	C	C	C	C	C	C	C
	Forbes Concept Hospitality Services Pvt Ltd	Grand View Estates Pvt. Ltd.	Gossip Properties Pvt. Ltd	Shapoorji Pallonji Armada Oil & Gas Services Pvt Ltd	Jaykali Developers Pvt. Ltd.	Nuevo Consultancy services Pvt Ltd	Simar Port Pvt. Ltd	Shapoorji Pallonji Real Estate Pvt. Ltd	Next Gen Publishing Ltd.	Stonesteel Prefab Infra Private Limited (w.e.f. 01/04/2019)	Coventry Properties Private Limited
<b>Purchases</b>											
Goods and Materials	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-
<b>Sales</b>											
Services Rendered		12,37,410	(1,23,582)	1,61,39,830	60,43,540		13,39,453	56,84,808	-	-	1,07,465
	-	<b>12,37,410</b>	<b>(1,23,582)</b>	<b>1,61,39,830</b>	<b>60,43,540</b>	-	<b>13,39,453</b>	<b>56,84,808</b>	-	-	<b>1,07,465</b>
<b>Expenses</b>											
Rent	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-	-	-	-
<b>Finance</b>											
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	1,24,756										
<b>Outstanding</b>											
Loans and Advances	16,84,201	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables		1,20,968	16,84,340	20,60,952	22,18,839	10,74,054	2,20,105	38,20,441	1,33,570	15,19,771	1,26,809

**Forbes Facility Services Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

Details required under Ind AS 24 on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India - referred in note no. 34 for the year ended 31st March 2021.

(1) 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 there are transactions during the year)**

- 1 Aquaignis Technologies Pvt. Ltd.
- 2 Forbes Enviro Solutions Ltd
- 3 Forbes Aquatech Ltd ( w.e.f. 28.08.2020)
- 4 Infinite Water Solutions Pvt. Ltd. (w.e.f. 31.03.2021)

**C. Enterprises that are under common control (where there are transactions during the year)**

- 1 Forvol International Services Ltd
- 2 Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd
- 3 SP Armada Oil Exploration Pvt. Ltd.
- 4 Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
- 5 Volkart Fleming Shipping & Services Ltd
- 6 Relationship Properties Pvt Ltd
- 7 Shapoorji Pallonji Rural Solutions Pvt Ltd
- 8 HPCL Shapoorji Energy Ltd
- 9 Shapoorji Pallonji Oil And Gas Pvt Ltd
- 10 S D Corporation Pvt Ltd
- 11 Afcon Infrastructure Ltd
- 12 Forbes Bumi Armada Offshore Ltd.
- 13 Joyville Shapoorji Housing Pvt Ltd
- 14 Shapoorji Pallonji Finance
- 15 Shapoorji Pallonji Investment Advisors Pvt. Ltd.
- 16 Shapoorji Pallonji Development Managers Pvt. Ltd.
- 17 Campbell Properties and Hospitality Services Ltd.
- 18 Forbes Concept Hospitality Services Pvt. Ltd.
- 19 Grand View Estate Pvt. Ltd
- 20 Gossip Properties Pvt. Ltd
- 21 Shapoorji Pallonji Armada Oil & Gas Services Pvt Ltd
- 22 Jaykali Developers Pvt. Ltd.
- 23 Nuevo Consultancy services Pvt Ltd
- 24 Image Realty LLP
- 25 Simar Port Pvt. Ltd

D. Key Managerial Personnel - Mr. Vinay Deshmukh (Executive Director)

## (II) Transactions with Related Parties for the year ended 31st March 2021

Nature of Transactions	Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above
<b>Purchases</b>				
Goods and Materials	64,96,034	-	-	-
Fixed Assets	59,05,325	-	-	-
	<b>1,24,01,359</b>	-	-	-
<b>Sales</b>				
Services Rendered	13,35,54,733	20,10,277	16,49,47,030	-
	<b>13,35,54,733</b>	<b>20,10,277</b>	<b>16,49,47,030</b>	-
<b>Expenses</b>				
Rent and other services	6,60,000	-	-	-
Repairs & Other Expenses	2,77,653	-	-	-
Management Fees and IT expenses	57,03,346	-	-	-
	<b>66,40,999</b>	-	-	-
Remuneration *	-	-	-	1,43,74,578
<b>Finance</b>				
Loans and Advances Given	-	-	-	-
Interest on loan given	-	-	1,15,514	-
<b>Outstanding</b>				
Loans and Advances	-	-	15,59,445	-
Trade Payables	-	-	-	-
Other Payables	2,08,30,034	-	-	-
Trade Receivables	4,18,82,775	8,25,377	7,94,89,888	-

\* The remuneration is subject to approval of the Shareholders.

## ( III ) The above Transaction includes :

Nature of Transactions	A	A	A	B	B	B	B	C	C	C	C
	Shapoorji Pallonji & Co Private Ltd. (Ultimate Holding Company)	Forbes & Company Ltd. (Holding Company of Eureka Forbes Ltd)	Eureka Forbes Ltd (Holding Company)	Aquagnis Technologies Pvt Ltd	Forbes Enviro Solutions Ltd.	Forbes Aquatech Ltd	Infinite WaterSolutions Pvt. Ltd.	Forvol International Services Ltd	Shapoorji Pallonji Infrastructure Capital Co Pvt Ltd	SP Armada Oil Exploration Pvt. Ltd.	Shapoorji Pallonji Forbes Shipping Ltd (Formerly Sci Forbes Ltd)
<b>Purchases</b>											
Goods and Materials	-	-	64,96,034	-	-	-	-	-	-	-	-
Fixed Assets	-	-	59,05,325	-	-	-	-	-	-	-	-
	-	-	<b>1,24,01,359</b>	-	-	-	-	-	-	-	-
<b>Sales</b>											
Services Rendered	2,56,67,187	26,65,763	10,52,21,783	3,00,764	5,13,973	2,89,327	9,06,213	2,18,891	23,35,093	73,22,277	4,50,086
	<b>2,56,67,187</b>	<b>26,65,763</b>	<b>10,52,21,783</b>	<b>3,00,764</b>	<b>5,13,973</b>	<b>2,89,327</b>	<b>9,06,213</b>	<b>2,18,891</b>	<b>23,35,093</b>	<b>73,22,277</b>	<b>4,50,086</b>
<b>Expenses</b>											
Rent	-	-	6,60,000	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	2,77,653	-	-	-	-	-	-	-	-
Management Fees and IT expenses	15,70,704	-	41,32,642	-	-	-	-	-	-	-	-
	<b>15,70,704</b>	-	<b>50,70,295</b>	-	-	-	-	-	-	-	-
<b>Finance</b>											
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-
<b>Outstanding</b>											
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Other Payables	2,08,30,034	-	-	-	-	-	-	-	-	-	-
Trade Receivables	1,23,55,411	5,13,736	2,90,13,628	32,747	6,48,351	44,844	99,435	44,297	6,68,561	23,77,461	93,993

(III) The above Transaction includes :

Nature of Transactions	C	C	C	C	C	C	C	C	C	C	C	C
	Relationship Properties Pvt Ltd	Shapoorji Pallonji Rural Solutions Pvt Ltd	Shapoorji Pallonji Investment Advisors 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 Pvt. Ltd	Shapoorji Pallonji Finance	Shapoorji Pallonji Development Managers Pvt. Ltd.	Campbell Properties and Hospitality Services Ltd.
<b>Purchases</b>												
Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Sales</b>												
Services Rendered	62,69,435	18,676	2,66,340	7,01,707	12,01,798	1,21,28,337	10,52,59,918	63,90,059	-	8,68,241	5,88,485	6,67,178
	<b>62,69,435</b>	<b>18,676</b>	<b>2,66,340</b>	<b>7,01,707</b>	<b>12,01,798</b>	<b>1,21,28,337</b>	<b>10,52,59,918</b>	<b>63,90,059</b>	<b>-</b>	<b>8,68,241</b>	<b>5,88,485</b>	<b>6,67,178</b>
<b>Expenses</b>												
Rent	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Finance</b>												
Loans and Advances Given	-	-	-	-	-	-	-	-	-	-	-	-
Interest on loan given	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Outstanding</b>												
Loans and Advances	-	-	-	-	-	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	37,70,068	-	28,114	4,10,667	3,61,901	1,02,46,646	5,25,03,499	-	2,33,742	1,01,858	4,71,217	1,43,601

(III) The above Transaction includes :

Nature of Transactions	C	C	C	C	C	C	C	C
	Forbes Concept Hospitality Services Pvt Ltd	Grand View Estates Pvt. Ltd.	Gossip Properties Pvt. Ltd	Shapoorji Pallonji Armada Oil & Gas Services Pvt Ltd	Jaykali Developers Pvt. Ltd.	Nuevo Consultancy services Pvt Ltd	Image Realty LLP	Simar Port Pvt. Ltd
<b>Purchases</b>								
Goods and Materials	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-
<b>Sales</b>								
Services Rendered	-	11,96,952	16,51,227	91,36,110	52,63,690	9,13,625	1,43,962	19,54,943
	-	<b>11,96,952</b>	<b>16,51,227</b>	<b>91,36,110</b>	<b>52,63,690</b>	<b>9,13,625</b>	<b>1,43,962</b>	<b>19,54,943</b>
<b>Expenses</b>								
Rent	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-
Management Fees	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
<b>Finance</b>								
Loans and Advances Given	-	-	-	-	-	-	-	-
Interest on loan given	1,15,514	-	-	-	-	-	-	-
<b>Outstanding</b>								
Loans and Advances	15,59,445	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	-	-	-	-
Other Payables	-	-	-	-	-	-	-	-
Trade Receivables	-	2,37,578	16,28,195	13,17,385	34,47,655	10,74,054	-	3,29,396

**Note 35: Financial instruments – Fair values and risk management**

**A. Accounting classification and fair values**

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amotised Cost	FVTPL	FVTOCI	Amotised Cost
<b>Financial assets</b>						
Bank balance & Cash and cash equivalents	-	-	96,95,154	-	-	1,42,85,786
Trade and other receivables	-	-	29,42,20,206	-	-	37,83,95,481
Other Current financial Asset	-	-	17,49,828	-	-	16,83,772
Other Non Current financial Asset	-	-	2,00,35,705	-	-	1,40,64,211
<b>Total Financial Asset</b>	-	-	<b>32,57,00,893</b>	-	-	<b>40,84,29,250</b>
<b>Financial liabilities</b>						
Trade and other payables	-	-	12,85,29,762	-	-	14,07,72,735
Lease Liabilities	-	-	1,03,90,469	-	-	1,52,73,279
Other Current financial liabilities	-	-	14,55,68,670	-	-	14,98,98,507
Current Borrowings	-	-	12,86,71,216	-	-	15,82,45,065
<b>Total Financial Liabilities</b>	-	-	<b>41,31,60,117</b>	-	-	<b>46,41,89,586</b>

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:

Particulars	Amt in Rs.	
	As at 31 March 2022	As at 31 March 2021
Trade receivables	29,42,20,206	37,83,95,481
Cash and cash equivalents	91,01,385	1,36,61,681
Other bank balances	5,93,769	6,24,105
Other financial assets	17,49,828	16,83,772



## Forbes Facility Services Private Limited

### Notes to the financial statements for the year ended March 31, 2022

#### 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, establishing 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 impairment 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, 2022, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

Particulars	Amt in Rs.	
	Carrying amount	
	March 31, 2022	March 31, 2021
India	29,42,20,206	37,83,95,481
Other regions	-	-
<b>Total</b>	<b>29,42,20,206</b>	<b>37,83,95,481</b>

#### Impairment

At March 31, 2021, the ageing of trade and other receivables are as follows.

Particulars	Amt in Rs.	
	Carrying amount	
	March 31, 2022	March 31, 2021
0 - 1 year	25,76,04,525	32,19,61,051
1 - 2 year	1,71,42,838	4,14,50,375
2 - 3 year	1,25,52,324	1,49,84,055
more than 3 years	69,20,519	-
<b>Total</b>	<b>29,42,20,206</b>	<b>37,83,95,481</b>

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.

#### Cash and cash equivalents

The Company held cash and cash equivalents of INR 91,01,385/- as at March 31 2022 (P.Y. INR 1,36,61,681/-).

**Forbes Facility Services Private Limited**  
**Notes to the financial statements for the year ended March 31, 2022**

**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.

March 31, 2022	Carrying amount	Contractual cash flows					Amt in Rs.
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years	
<b>Non-derivative financial liabilities</b>							
Working capital loans from banks	12,86,71,216	12,86,71,216	12,86,71,216	-	-	-	
Trade payables	12,85,29,762	12,85,29,762	12,85,29,762	-	-	-	
Lease Liabilities	1,03,90,469	1,03,90,469	47,50,353	56,40,116	-	-	
Other financial liabilities	14,55,68,670	14,55,68,670	14,55,68,670	-	-	-	

March 31, 2021	Carrying amount	Contractual cash flows					Amt in Rs.
		Total	Upto 1 year	1-3 years	3-5 years	More than 5 years	
<b>Non-derivative financial liabilities</b>							
Working capital loans from banks	15,82,45,065	15,82,45,065	15,82,45,065	-	-	-	
Trade payables	14,10,01,410	14,10,01,410	14,10,01,410	-	-	-	
Lease Liabilities	1,52,73,279	1,52,73,279	47,17,008	1,05,56,271	-	-	
Other financial liabilities	14,98,98,507	14,98,98,507	14,98,98,507	-	-	-	

**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.

**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 2022	As at 31 March 2021
<b>Variable-rate instruments</b>		
Financial liabilities		
Borrowing	12,86,71,216	15,82,45,065

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)
<b>March 31, 2022</b>	
Variable-rate instruments	(12,86,712)
<b>Cash flow sensitivity</b>	<b>(12,86,712)</b>
<b>March 31, 2021</b>	
Variable-rate instruments	(15,82,451)
<b>Cash flow sensitivity</b>	<b>(15,82,451)</b>

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.

**Forbes Facility Services Private Limited**

**Notes to the financial statements for the year ended March 31, 2022**

**36 Ratios**

Ratios	Numerator	Denominator	31 st March, 2022	31st March, 2021	Variation (%)	Reason for variance in the ratio by more than 25%
Current Ratio (times)	Total Current Assets	Total Current Liabilities	0.67	0.83	-19.33%	NA
Debt equity ratio (times)	Total borrowings	Total Equity	2.73	1.54	77.37%	Increase in cost of employee benefits and write of earlier years taxes led to higher leveraged company.
Debt service coverage ratio (times)	Net profit after tax+Depreciation+Finance Expense	Interest including principle payments of borrowings	-0.40	3.34	-111.90%	Current year losses resulted in to negative ratio.
Return on equity (%)	Profit/(Loss) for the year	Average Total Equity	-0.56	0.37	-249.32%	Current year losses resulted in to negative ratio.
Inventory turnover ratio (times)	Cost of materials consumed	Average Inventory	20.06	12.94	55.03%	Better order management by reducing the lead time of suppliers resulted in improved ratio.
Trade receivables turnover ratio (times)	Revenue from Operations	Average trade receivables	5.01	3.87	29.52%	Aggressive collection practice resulted in improved ratio.
Trade payable turnover ratio (times)	Cost of materials consumed + Cost of service	Average trade payables	4.22	2.88	46.54%	The Company is able to manage its debts and cashflow effectively that resulted in to improved trade payable turnover ratio.
Net capital turnover ratio (times)	Revenue from Operations	Working capital (inventory + Trade receivable - Trade payable)	9.05	5.63	60.83%	Increase in revenue resulted in improved ratio.
Net profit ratio (%)	Profit/(Loss) for the year	Revenue from Operations	-2.48	1.39	-278.99%	Current year losses resulted in to negative ratio.
Return on capital employed (%)	Earning before interest and tax	Tangible net worth+Total debt+Deferred tax liability	-0.08	15.73	-100.52%	Current year losses resulted in to negative ratio.

**37** Statutory Liabilities include an amount of Rs. 34.27 lakhs (Rs 34.27 lakhs-March 31 2021 ) towards employee provident fund which is unpaid as on the Balance sheet date, since the Universal Account Number (UAN) of certain employees could not be generated due to inconsistencies in the personal identity documents of those employees. Subsequently those employees have resigned from the Company. The Company has approached the Provident fund authorities for resolving this technical matter and are in the process of discharging the liability.

**38** Remuneration paid/ payable to Mr. Vinay Deshmukh (Executive Director and CEO) which was approved in the Board meeting held on July 31, 2021 exceeds the limit prescribed under section 197 by Rs. 1.63 lakhs and is subject to shareholders approval. The Company has charged the excess remuneration paid / payable in the statement of Profit and Loss for the year ended March 31, 2022. Pending such approval, the remuneration already paid in excess of the limit amounting to Rs 1.63 lakhs is held in trust by Mr Vinay Deshmukh.

**39** Pursuant to the board meeting held on 20th May 2022, the board of directors of the company have approved the sale of 100% shareholding of the Company in favour of SILA Solutions Private Limited by Forbes and Company Limited for a consideration of INR 42 crs. Accordingly, the company, Forbes & Company Limited and SILA Solutions Private Limited have signed the Share purchase agreement on 20 May 2022 subject to closing adjustments as may be required in view of the conditions precedent and pre and post-closing adjustment as per the terms of share purchase agreement.

**40** Disclosure requirement as notified by MCA pursuant to amended schedule III

- 1) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- 2) The Company does not have any transactions with companies struck off.
- 3) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 4) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- 5) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- 6) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or;
  - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- 7) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 8) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee).
- 9) The company has not been declared as a wilful defaulter.

**41** 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

Mr. V Surendran  
 Director  
 (DIN- 07322381)

Mr. Pankaj Khattar  
 Director  
 (DIN-000009423)

**Kaushal Mehta**  
 Partner  
 Membership No. 111749

Mr. Vinay Deshmukh  
 Executive Director & CEO  
 (DIN-07153755)

Mumbai , Dated : 28 May 2022

Mumbai , Dated: 28 May 2022

**FORBES LUX INTERNATIONAL AG**  
**(a wholly owned subsidiary)**

**Financial Statements**  
**For the year ended December 31, 2021**

## **Independent Auditor's Report**

To the Board of Directors of  
**Forbes Lux International AG, Wallisellen**

You have engaged us to audit the accompanying financial statements of Forbes Lux International AG, Wallisellen, which comprise the balance sheet, income statement, statement of changes in equity, cash flow statement and notes for the year ended December 31, 2021.

### **Board of Directors' Responsibility for the Financial Statements**

The Board of Directors is responsible for the preparation and presentation of the financial statements in accordance with the Swiss GAAP Core-FER and the requirements of Swiss law. 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 law and Swiss Auditing Standards. Those standards require that we 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 qualified audit opinion.

**Basis for qualified opinion**

Forbes Lux International AG has an indirect investment in Lux del Paraguay S.A., a foreign company that is a subsidiary of Lux International AG. The values attributable to Lux del Paraguay S.A. are recognized as part of the fair value of the Lux International AG investment, amounting to CHF 46.507 million. Lux del Paraguay S.A.'s share in the fair value recognized in the balance sheet of Forbes Lux International AG amounts to CHF 1.962 million as at December 31, 2021. We were unable to obtain sufficient appropriate audit evidence on Lux del Paraguay S.A.'s financial results and balances for the year ended December 31, 2021, as access to the financial information was limited to Lux del Paraguay S.A.'s auditors. Due to this scope limitation, the component auditor is unable to issue an opinion on the financial statements of Lux del Paraguay S.A.. Consequently, we were unable to determine whether any adjustments are required with regards to the investment of Lux del Paraguay S.A. and respective portion of the fair value, amounting to CHF 1.962 million, which is included in the total investment value, amounting to CHF CHF 46.507 million.

**Qualified opinion**

In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" paragraph the financial statements for the year ended December 31, 2021, give a true and fair view of the financial position and results of operations and cash flows in accordance with the Swiss GAAP Core-FER and comply with Swiss law.

**Other matter**

The financial statements of Forbes Lux International AG for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those financial statements on March 17, 2021.

**Emphasis of matter**

We draw attention to note 16 in the financial statements describing the financial difficulties the company faced during the financial year ended December 31, 2021. This fact indicates the existence of a material uncertainty that may cast significant doubt about Forbes Lux International AG's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Zurich, May 13, 2022

**Grant Thornton AG**

Dr. Shqiponja Isufi  
Licensed Audit Expert  
Auditor in Charge

Nina Beutler  
Licensed Audit Expert

Enclosure:

- Financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity and notes)

**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH  
BALANCE SHEET AS OF 31 DECEMBER 2021**

	Note	2021	2021	2020	2020
		CHF	INR Lakhs	CHF	INR Lakhs
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents		95	0.00	133	0.00
Other current receivables	2	2,070	1.69	3,722	2.74
Accrued income and prepayments		10,910	8.89	-	
<b>Total current assets</b>		<b>13,075</b>	<b>10.57</b>	<b>3,855</b>	<b>2.74</b>
Non-current assets					
Financial assets	3	5	0.00	51,92,537	3,820.85
Investments	10	4,65,07,091	37,887.75	4,15,07,091	19,653.14
<b>Total non-current assets</b>		<b>4,65,07,096</b>	<b>37,887.75</b>	<b>4,66,99,628</b>	<b>23,473.99</b>
<b>TOTAL ASSETS</b>		<b>4,65,20,171</b>	<b>37,898.32</b>	<b>4,67,03,483</b>	<b>23,476.73</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Liabilities</b>					
Bank debts					
Other short-term payables		8	0.01	-	
Current account to affiliated companies		4,015	3.27	57	0.04
Current interest-bearing loans		24,185	19.70	-	-
Accrued Expenses		-	-	17,65,828	1,299.36
		1,43,534	116.93	1,60,010	117.74
<b>Total current liabilities</b>	4	<b>1,71,742</b>	<b>139.91</b>	<b>19,25,895</b>	<b>1,417.14</b>
Deferred Tax Liabilities					
Interest-bearing loans	5	7,84,098	638.78	6,97,072	512.93
	6	5,70,18,804	46,451.28	4,90,10,635	36,063.74
<b>Total non-current liabilities</b>		<b>5,78,02,902</b>	<b>47,090.06</b>	<b>4,97,07,707</b>	<b>36,576.67</b>
<b>Total liabilities</b>		<b>5,79,74,644</b>	<b>47,229.97</b>	<b>5,16,33,602</b>	<b>37,993.81</b>
<b>Shareholders' equity</b>					
Share capital		3,68,00,000	24,697.58	3,68,00,000	24,697.58
Participation certificates Share capital		3,42,00,000	22,171.85	3,42,00,000	22,171.85
Capital contribution reserves		11,20,820	771.94	11,20,820	771.94
Retained Earnings		(7,70,50,939)	(55,034.01)	(5,87,22,693)	(42,001.15)
Result for the period/year		(65,24,354)	(5,276.00)	(1,83,28,246)	(13,032.86)
Foreign Currency Translation Reserve			3,336.99		(7,124.44)
<b>Total shareholders' equity</b>		<b>(1,14,54,473)</b>	<b>(9,331.65)</b>	<b>(49,30,119)</b>	<b>(14,517.08)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>4,65,20,171</b>	<b>37,898.32</b>	<b>4,67,03,483</b>	<b>23,476.73</b>

**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH**  
**INCOME STATEMENT 2021**

	Note	2,021	2021	2,020	2020
		CHF	INR Lakhs	CHF	INR Lakhs
<b>OPERATING REVENUES</b>					
Consulting Fees		-	-	1,44,129	102.49
<b>Total operating revenues</b>		<b>-</b>	<b>-</b>	<b>1,44,129</b>	<b>102.49</b>
<b>OPERATING EXPENSES</b>					
Invoiced Salaries		-	-	(15,200)	(10.81)
Office and administration expenses		(1,122)	(0.91)	(273)	(0.19)
Legal and consulting expenses		(57,382)	(46.40)	(63,856)	(45.41)
Service expenses - Group		(36,000)	(29.11)	(36,000)	(25.60)
<b>Total operating expenses</b>		<b>(94,504)</b>	<b>(76.42)</b>	<b>(1,15,329)</b>	<b>(82.01)</b>
<b>OPERATING RESULT</b>		<b>(94,504)</b>	<b>(76.42)</b>	<b>28,800</b>	<b>20.48</b>
Financial income	8	16,40,027	1,326.23	17,26,430	1,227.63
Financial expenses	8	(19,38,935)	(1,567.94)	(15,80,935)	(1,124.17)
<b>Total financial result</b>		<b>(2,98,908)</b>	<b>(241.72)</b>	<b>1,45,495</b>	<b>103.46</b>
<b>ORDINARY RESULT</b>		<b>(3,93,413)</b>	<b>(318.14)</b>	<b>1,74,295</b>	<b>123.94</b>
<b>NON-OPERATING INCOME / (EXPENSES)</b>					
Restructuring income	12	14,16,486	1,145.46	-	-
Restructuring expenses	13	(74,50,000)	(6,024.53)	(1,13,42,031)	(8,065.10)
Impairment of financial assets		-	-	(70,58,000)	(5,018.81)
Non-operating income	14	522	0.42	2,04,885	145.69
<b>Total non-operating result</b>		<b>(60,32,992)</b>	<b>(4,878.65)</b>	<b>(1,81,95,146)</b>	<b>(12,938.22)</b>
<b>LOSS BEFORE TAXES</b>		<b>(64,26,404)</b>	<b>(5,196.79)</b>	<b>(1,80,20,851)</b>	<b>(12,814.28)</b>
Taxes	9	(97,949)	(79.21)	(3,07,395)	(218.58)
<b>RESULT FOR THE PERIOD/YEAR</b>		<b>(65,24,353)</b>	<b>(5,276.00)</b>	<b>(1,83,28,246)</b>	<b>(13,032.86)</b>



**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH**  
**CHANGE IN EQUITY**

	Share capital	Share capital	Participation Share capital	Participation Share capital	Capital Contribution Reserve	Capital Contribution Reserve	Retained Earnings	Retained Earnings	Total	Total
	CHF	INR Lakhs	CHF	INR Lakhs	CHF	INR Lakhs	CHF	INR Lakhs	CHF	INR Lakhs
<b>Balance as at 31 December 2019</b>	3,68,00,000	24,697.58	3,42,00,000	22,171.85	11,20,820	771.94	(5,87,22,693)	(42,001.15)	1,33,98,127	5,640.22
Capital Increase										
Capital Contribution Reserve										
Retained Earnings										
Loss of the Period							(1,83,28,246)	(13,032.86)	(1,83,28,246)	(13,032.86)
Dividends										
<b>Balance as at 31 December 2020</b>	3,68,00,000	24,697.58	3,42,00,000	22,171.85	11,20,820	771.94	(7,70,50,939)	(55,034.01)	(49,30,119)	(7,392.64)
Capital Increase										
Capital Contribution Reserve										
Retained Earnings										
Income of the Period							(65,24,354)	(5,276.00)	(65,24,354)	(5,276.00)
Dividends										
<b>Balance as at 31 December 2021</b>	3,68,00,000	24,697.58	3,42,00,000	22,171.85	11,20,820	771.94	(8,35,75,293)	(60,310.01)	(1,14,54,473)	(12,668.64)

Share capital consists of a total of 36800 registered shares, nominated to CHF 1000 per share and of 34200 registered participation certificates, nominated to CHF 1000 per certificate.

**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH**  
**CASH FLOW STATEMENT**

	2021	2021	2020	2020
	TCHF	INR Lakhs	TCHF	INR Lakhs
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Result before tax	(6,426)	(5,276.00)	(18,021)	(12,814.28)
Adjustments for:				
-Depreciation, amortisation, impairment	-	-	7,058	5,018.81
-Interest income	-	-	(219)	(155.11)
-Interest expense	1,939	1,567.94	1,581	1,124.17
-Restructuring income	(1,417)	(1,145.46)	-	0.00
-Restructuring expense	7,449	6,024.53	11,342	8,065.10
-Foreign currency (gains) / losses	(1,646)	(1,253.31)	(1,508)	(1,072.31)
<b>Operating cash flow before changes in operating working capital</b>	<b>(103)</b>	<b>(82.29)</b>	<b>233</b>	<b>166.38</b>
(Increase) Decrease in other receivables and prepaid expenses	(9)	(7.83)	2	1.47
Increase (Decrease) in other current liabilities, accrued liabilities	51	41.24	(153)	(112.58)
<b>Cash generated from / (used in) operations</b>	<b>(61)</b>	<b>(48.88)</b>	<b>82</b>	<b>55.27</b>
Interest paid	(1)	(0.81)	(116)	(82.49)
Income taxes paid	(22)	(17.79)	(43)	(30.58)
<b>Net cash flow (used in) operating activities</b>	<b>(84)</b>	<b>(67.48)</b>	<b>(77)</b>	<b>(57.80)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Loans paid to Lux International AG	(41)	(33.16)	(4,273)	(3,144.22)
Proceeds from repayment of loans from related parties	-	-	91	66.96
<b>Net cash flow (used for) / from investing activities</b>	<b>(41)</b>	<b>(33.16)</b>	<b>(4,182)</b>	<b>(3,077.26)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Third party loan repayment	-	-	-	-
Shareholder loans received	-	-	2,609	1,919.79
Related parties loans received	125	101.08	1,068	785.87
Third parties loans received	-	-	581	427.52
<b>Net cash flow used in financing activities</b>	<b>125</b>	<b>101.08</b>	<b>4,258</b>	<b>3,133.18</b>
<b>Net decrease / increase in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-1.88</b>
<b>Cash and cash equivalents beginning of year</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>0.76</b>
<b>Foreign Currency Translation reserve</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.12</b>
<b>Net cash and cash equivalents end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents consist of:				
-Cash and cash equivalents as per the balance sheet	-	-	-	-
Cash and cash equivalents as defined for the cash flow statement	-	-	-	-

**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH**  
**NOTES**

**1 Principles**

These financial statements of Forbes Lux International AG, Wallisellen (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. The financial statements have been prepared on a going concern basis.

**Accounting policies and valuation principles**

1.1. Revenue

The income of the company consists of income from consulting fees, dividends and interests.

1.2. Financial Assets

Financial assets are valued at their nominal values. At the end of each reporting period, the carrying amounts of financial assets are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

1.3. Investments

Investments are stated at fair values less impairment, if any. The fair value is determined by discounting projected future operational cash flows. At least annually, an impairment test is conducted to verify the fair value. In a case where the impairment test reveals a lower value, a provision (value adjustment) will be recorded according to the lower valuation.

1.4. Deferred Tax assets

Deferred tax assets on tax lossess carried forward are recognized only to the extent that they can be netted with temporary differences resulting in deferred income tax provisions.

1.5. Provisions / Accruals

Provisions / accruals are recognised when the company has an obligation at the reporting date as a result of a past event; it is probable that the company will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably. The provisions / accruals are measured at the nominal value of the amount expected to be required to settle the obligation.

1.6. Non-current interest-bearing liabilities

Non-current interest-bearing liabilities are recognized in the balance sheet at nominal value.

2 Other current receivables

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
VAT recoverable	2,070	1.69	3,722	2.74
Total	2,070	1.69	3,722	2.74

3 Financial Assets

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
Non-current loan to Lux International AG - company in which the entity holds an investment	-	-	51,92,532	3,820.85
Investment in Forbes Lux FZO (1%)	5	0.00	5	0.00
Total	5	0.00	51,92,537	3,820.85

4 Current liabilities

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
Bank debts	8	0.01	-	-
Accounts payable third parties	4,015	3.27	57	0.04
Current account to affiliated companies (Lux International AG)	24,185	19.70	-	-
Loan Axis Bank - third party	-	-	17,65,828	1,299.36
Accruals third parties	35,697	29.08	97,716	71.90
Accruals related parties	1,07,837	87.85	62,294	45.84
Total	1,71,742	139.91	19,25,895	1,417.14

**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH**  
**NOTES**

**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: 18.6%

**6 Long-term loans**

The loan from Eureka Forbes is granted at an interest of 4% plus + 6 month EUR-Libor or 5%.

The durations of the loans from Eureka Forbes Ltd. in the amount of EUR 40'547'708.73 and USD 6'391'6 durations of the loans from third parties in the total amount of USD 601'428.26 (total CHF 550'431.35) are less than 1 year. However, there is an option to extend those loans to a duration of more than 1 year.

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
Loan Eureka Forbes Ltd. - shareholder	4,78,72,549	39,000.14	4,06,11,673	29,883.49
Accrued loan interest Eureka Forbes Ltd. - shareholder	85,95,823	7,002.72	66,76,018	4,912.45
Loan Euro Forbes Ltd. - other related party	-	-	11,91,934	877.07
Loan ESPI Holdings Mauritius Ltd. - other related party	1,83,041	149.12	1,76,583	129.94
Loan LIPID International Ltd. - other related party	1,84,349	150.18	1,77,844	130.86
Loan ADIOS International PTE.Ltd. - other related party	1,83,041	149.12	1,76,583	129.94
<b>Total</b>	<b>5,70,18,803</b>	<b>46,451.28</b>	<b>4,90,10,635</b>	<b>36,063.75</b>

The loan to Axis Bank was repaid by Eureka Forbes directly and therefore as a cash-free-transaction within Forbes Lux International AG. The claims of Eureka Forbes Ltd. amounting to CHF 40'611'673.13 are subordinated to all other existing and future claims.

**7 Management assumptions and significant 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 period affected.

**8 Financial Income**

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
Interest income from Related Parties	-	-	2,18,129	155.11
Foreign exchange gains	16,40,027	1,326.23	15,08,301	1,072.52
<b>Total</b>	<b>16,40,027</b>	<b>1,326.23</b>	<b>17,26,430</b>	<b>1,227.63</b>

**Financial Expenses**

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
Interest Expenses to Eureka Forbes Ltd. - shareholder	-18,25,245	-1,476.01	-13,20,833	-939.22
Interest Expenses to Euro Forbes Ltd. - related party	-70,228	-56.79	-78,947	-56.14
Interest Expense Axis Bank - third party	-42,734	-34.56	-1,63,120	-115.99
Interest Expense other - third party	-728	-0.59	-18,035	-12.82
Foreign exchange losses	-	-	-	-
<b>Total</b>	<b>-19,38,935</b>	<b>-1,567.94</b>	<b>-15,80,935</b>	<b>-1,124.17</b>

**FORBES LUX INTERNATIONAL AG, WALLISELLEN ZH  
NOTES**

**9 Tax Expenses**

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR Lakhs	CHF	INR Lakhs
Income Tax	-10,922	-8.83	-21,832	-15.52
Deferred Tax	-87,026	-70.37	-2,85,563	-203.06
<b>Total</b>	<b>-97,948</b>	<b>-79.21</b>	<b>-3,07,395</b>	<b>-218.58</b>

Deferred tax expenses arise despite the negative result, as temporary differences resulting in deferred income tax provisions are only netted with forward to the extent that their reversal is expected to occur before the expiry date of tax losses carry forwards.

**10 Investments**

Company and Objective

	Share Capital (local currency)	31.12.2021 Share in Capital and voting rights in %	31.12.2021 Book Values	31.12.2020 Quota	31.12.2020 Book Values
Lux International AG	2,45,00,000	100%	4,65,07,091	100%	4,15,07,091
Holding Company, Direct sales industry					
Total Book Value (in CHF)			4,65,07,091		4,15,07,091
Total Book Value (in INR Lakhs)			37,887.75		19,653.14

Based on the evaluation of the shareholding in Lux International AG ("Impairment Test") as of 31 December 2021, the Board of Directors has confirmed the valuation. The impairment test was conducted based on the DCF method ("Discounted Cash Flow"), including financial assets and financial liabilities as of the balance sheet date. As of 2nd March 2021 there was a capital increase in Lux International AG of CHF 5 Mio.

**Indirect Participation by Forbes Lux International AG**

Company	Domicile	Share Capital		Share in Capital & voting rights in %	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
Lux Schweiz AG	Switzerland	CHF 700000	CHF 700000	100%	100%
AMC Cookware PTY Ltd. *	South Africa	n/a	ZAR 100	0%	50%
LIAG Trading & Investments Ltd. **	United Arab Emirat	n/a	AED 100000	100%	100%
Lux International Services & Logistics GmbH	Germany	EUR 25'000	EUR 25'000	100%	100%
Lux Österreich GmbH	Austria	EUR 500000	EUR 500000	100%	100%
Lux Hungaria Kereskedelmi Kft.	Hungary	HUF 30'000'000	HUF 30'000'000	100%	100%
Lux del Paraguay S.A.	Paraguay	MPYG 12'500	MPYG 12'500	80%	80%
Lux Professional Paraguay SA	Paraguay	MPYG 2'500	MPYG 2'500	99%	99%
Lux Welity Polska sp z oo	Poland	PLN 100'000	PLN 100'000	100%	100%

\* Shares sold in December 2021. - Control lost as of 1st December 2021

\*\* Liquidation procedure completed. - Control lost as of 31st March 2021

**11 Collateral provided for liabilities of third parties**

The company has pledged shares and participations in its subsidiary as a collateral for the subsidiaries external loan agreements. The carrying amount of the pledged investment as at 31 December 2021 is equal to the amount of CHF 46'507'091.

**12 Restructuring income**

In 2021 Euro Forbes Ltd. waived the loan to Forbes Lux International AG in the amount of USD 1'475'000.

**13 Restructuring expenses**

In 2021 the company granted a restructuring grant to Lux International AG in the amount of CHF 7'450'000 (prior year: CHF 11'342'032).

**14 Non-operating (expenses) / income**

Non-operating income mainly results from the release of unused accruals for audit fees 2020.

**15 Contingent Liabilities**

The 100% subsidiary of the company, Lux International AG (thereafter: "LIAG"), concluded on the 27th November 2020 a settlement agreement with the German Insolvency Administrator, on the subject of the insolvency of Lux Deutschland GmbH. LIAG thereby agreed on three down payments of EUR 350000 (due on 15th December 2020); EUR 450000 (due on 15th December 2021) and EUR 500000 (due on 15th December 2022). On top of these three payments, additional earn-out payments may fall due if the consolidated Net Result of LIAG exceeds the amount of 1mn EUR per year in 2023 and 2024. The sum of the maximal payments due to the Insolvency Administrator is capped at the amount of 3mn EUR.

The company has acceded to the aforementioned obligations of LIAG. In a situation where LIAG could not meet its payment obligations, the Insolvency Administrator would have the right to claw back the amounts due from the company.

The installments due in December 2020, amounting to EUR 350000 and due in December 2021, amounting to EUR 450'000, has been repaid in time. LIAG also expects to be able to pay the complete installment falling due in December 2022 in time (EUR 500000).

**16 Financial difficulties**

Forbes Lux International Ltd. and its direct subsidiaries (Lux Group) faced financial difficulties during the last years and the period ended 31 December 2021.

Forbes Lux International Ltd. and the Lux group's ability to continue as a going concern depends on the continuing financial support of its ultimate parent company, Eureka Forbes Limited located in India (EFL). The Board of Directors of Lux International AG have taken necessary steps to revive and stabilize the business of Lux Group. Further, the ultimate parent company, EFL, issued a financial support letter dated 27 January 2021, that they undertake financial support to the extent needed to keep Forbes Lux International Ltd. and Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31 March 2022.

Should EFL be unable to provide necessary liquid funds support or equity, this would constitute a material uncertainty that would cast significant doubt about Forbes Lux International AG's ability to continue as a going concern. If Forbes Lux International Ltd. is not able to continue as a going concern, the financial statement must be prepared at liquidation values. The impact of such change in basis of accounting could be material and the necessary provisions would have to be followed by the Board of Directors.

**17 Subsequent events**

At 31 December 2021 the company is overindebted. In order to ensure going concern of the company, liabilities against the shareholder totaling CHF 40'611'673.13 (refer to note 6) were subordinated.

With effect as of 1 February 2022, shares of Forbes Lux International AG were transferred from Eureka Forbes Ltd. (EFL) to Forbes & Co. Ltd.

There are no other 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, 2022**

# **BATLIBOI & PUROHIT**

## **Chartered Accountants**

### **INDEPENDENT AUDITORS' 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, 2022, 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, 2022, the loss and the 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.

#### **Material Uncertainty Related to Going Concern**

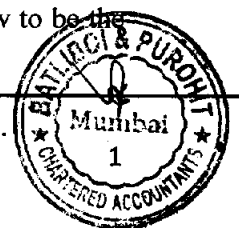
We draw attention to Note 34 of the financial statements which indicates that the Company has incurred a net loss during the current year and the Company's current liabilities exceeded its current assets as at March 31, 2022. The Company has accumulated losses and its net worth is negative as at March 31, 2022.

The aforesaid conditions and financial stress indicate the existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in Note 34.

Our opinion is not modified in respect of this matter.

#### **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.





## Chartered Accountants

**a) Inventory valuation****Description of Key Audit Matter:**

As described in Note 2.4 of the financial statements, the inventories of the Company are valued at lower of cost and net realisable value. During the year, the expense on write-down of the inventories to their net realisable value was significant and amounted to Rs. 1,157.84 lakhs.

The Company exercises significant judgement and assumptions in estimation of the net realisable value of the inventories. The operations of the Company are scaled down significantly during the year as compared to previous years. As a result, the Company has accumulated slow and non-moving inventory which has increased the write down expense during the year.

Refer Note 7 of the financial statements for details of inventory.

**Our response:**

- We observed the stock taking process the year end and performed our own test counts and observed the condition of the overall inventories.
- We held discussions with the technical team of the Company to understand the impact of technical obsolescence on the net realisable value of non-moving and slow-moving inventories.
- We held discussions with the management in respect of the assumptions applied for estimation of net realisable value where direct evidence of the net realisable value were not available for slow and non-moving inventories.
- We test checked the valuation of the inventory held at reporting period based on their cost and evidences of net realisable value nearest to the reporting date as applicable to conclude that the inventories are carried at lower of their cost and net realisable value.

**b) Allowance for expected credit loss on trade receivables****Description of Key Audit Matter:**

As on March 31, 2022, the carrying amount of trade receivable was Rs. 1,793.16 lakhs (net of provision for expected credit loss of Rs. 2,326.11 lakhs) which represent 44.68 % of the total assets of the Company.

The Company exercises significant judgment in calculating the expected credit losses on trade receivables. The Company determines the allowance for credit losses as per provision matrix based on historical loss experience adjusted to reflect current and estimated future economic conditions. The Company considers current and anticipated future economic conditions relating to industries the Company deals with. In calculating expected credit loss, the Company has also considered relevant credit information of its customers (to the extent the Company has access to such information) to estimate the probability of default in future and age-wise analysis of outstanding amounts.

In calculating expected credit loss, the Company has taken into account estimates of possible effect from the pandemic relating to COVID -19.

Refer Note 8 of the financial statements for information on trade receivables and provision for expected credit losses.



Chartered Accountants

**Our response:**

- We tested the effectiveness of controls over the development of the provision matrix for the allowance for credit losses, including consideration of the current and estimated future economic conditions.
- We verified the completeness and accuracy of information used while calculating the provision for expected credit loss and ageing of the receivables.
- We analysed the profile of the customers and credit information, to the extent available in respect of certain customers on a sample basis.
- We analysed the reasonability of the provision matrix and tested the mathematical accuracy and computation of the allowances by using the same input data used by the Company.

**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 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 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, 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.



Chartered Accountants

**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.

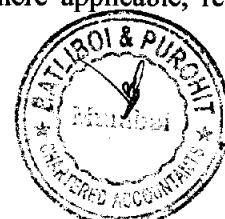
As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- 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 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.



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**

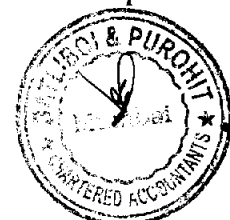
As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 Act.
- e) The matter described in the 'Material Uncertainty Related to Going Concern' section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors of the Company as on March 31, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) 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.
- h) 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/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- i) 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.



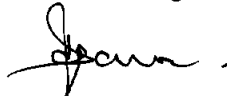
## Chartered Accountants

- 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.
- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on audit procedures performed, nothing has come to our attention that causes us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Reg. No.101048W

**N. S. Gaur**

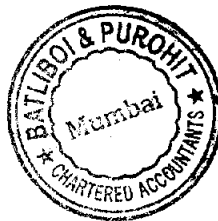
Partner

Membership No. 137138

Place : Mumbai

Date : May 16, 2022

ICAI UDIN:22137138AJCCIS5514

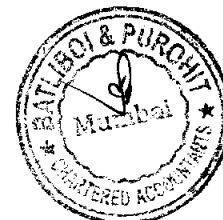


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**Annexure - A to the Independent Auditors' Report**

(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) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have ownership of any immovable property.
- (d) The Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, with regards to the nature and size of its inventories, the frequency is reasonable and the coverage and procedure of such physical verification carried out during the year were appropriate. Discrepancies noted during such physical verification were less than 10% of respective inventory classes. All discrepancies noted during the year were properly dealt with in the books of account.
- (b) During the year, the Company had existing sanctioned working capital limits in excess of five crore rupees, in aggregate, from various banks on the basis of security of its current assets. The quarterly information/statements (as revised/ updated) filed by the Company till the date of this Report with such banks were in agreement with the unaudited books of account of the Company as on respective quarter end.
- (iii) During the year, the Company has not made any investments, or provided any loans or provided any advance in the nature of loans or stood guarantee or provided any security to any entity during the year. Accordingly, reposting under paragraph 3(iii) of the Order is not applicable.
- (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.



Chartered Accountants

- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 or any relevant provisions of the Act and rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, we are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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 Goods and Service Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delays in a few cases which, in our opinion, were not serious.

According to the information and explanations given to us, no undisputed statutory dues referred above were in arrears as at the year-end for a period of more than six months from the date they became payable.

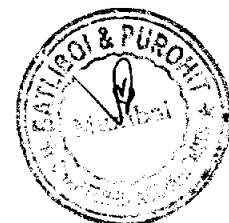
- (b) According to the information and explanations given to us, outstanding dues of sales tax that have not been deposited by the Company on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (Rs. in lakhs)*
CST Act, 1956	Sales Tax and Interest	Joint Commissioner of Sales Tax (Appeals), Mumbai	F.Y. 2014-15	5.93
CST Act, 1956	Sales Tax and Interest	Deputy Commissioner of State Tax, Mumbai**	F.Y. 2015-16	552.11
CST Act, 1956	Sales Tax and Interest	Joint Commissioner of Sales Tax (Appeals), Mumbai	F.Y. 2016-17	220.51
CST Act, 1956	Sales Tax and Interest	Joint Commissioner of Sales Tax (Appeals), Mumbai	April 2016 - June 2017	27.03

\*Net of amounts paid in protest.

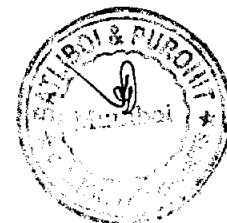
\*\* The Company is in the process of filing an appeal against the demand order.

- (viii) According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which was not recorded in the books of account. Accordingly, paragraph 3(viii) of the Order is not applicable.



## Chartered Accountants

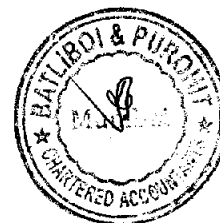
- (ix) (a) Based on our audit and according to the information and explanations given by the management, read with Note 12 to the financial statements, relating to OTR under the 'Resolution Framework for COVID-19 related Stress' as prescribed by the RBI vide its notification dated August 06, 2020, the Company has not defaulted in repayment of loans to any lender during the year. There were no outstanding loans from any financial institution or government during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and based on our examination of the records of the Company, no term loans were obtained or utilised during the year by the Company. Accordingly, paragraph 3(ix)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us and based on the audit procedures performed by us, funds raised on short term basis have not been utilised for long term purposes by the Company.
- (e) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and based on the audit procedures performed by us, the Company does not have any subsidiaries, joint ventures or associate companies. Accordingly, paragraph 3(ix)(f) of the Order is not applicable.
- (x) (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph 3(x)(a) of the Order is not applicable.
- (b) 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 convertible debentures (fully, partly or optionally) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, in our opinion and based on the audit procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was filed with the Central Government during the year or upto the date of this Report.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a 'nidhi' company and it has not accepted any deposits. Accordingly, paragraph 3(xii)(a), paragraph 3(xii)(b) and paragraph 3(xii)(c) of the Order is not applicable.





## Chartered Accountants

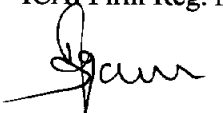
- (xiii) According to the information and explanations given to us and based on the audit procedures performed by us, the Company is in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion and based on our examination, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the company issued upto the date of this Report, for the period under audit.
- (xv) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions of section 192 of the Act and paragraph 3(xv) of the Order is not applicable.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable.
- (c) In our opinion and according to the information and explanations given to us, the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us, the Group (as defined the Core Investment Companies (Reserve Bank) Direction 2016) has two Core Investment Companies (CICs) as part of the Group.
- (xvii) According to the information and explanations given to us and based on audit procedures performed by us, the Company has incurred cash losses of Rs.1,863.88 lakhs in the current financial year and cash losses of Rs. 2,890.91 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of our comments under the paragraph 'Material Uncertainty Related to Going Concern' of our Audit Report on the audit of the financial statements of the Company, our analysis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, in our opinion, a material uncertainty exists that may cast a significant doubt about the Company's ability of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.



## Chartered Accountants

- (xx) (a) According to the information and explanations given to us and based on audit procedures performed by us, the Company was not required to spent any amount in terms of Section 135 of the Act during the year. Accordingly, second proviso to sub-section (5) of section 135 of the said Act and paragraph 3(xx)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, the Company did not have any ongoing project in terms of Section 135 of the Act during the year. Accordingly, provision of sub-section (6) of section 135 of the said Act and paragraph 3(xx)(b) of the Order is not applicable.

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



**N. S. Gaur**  
Partner  
Membership No. 137138  
Place : Mumbai  
Date : May 16, 2022  
ICAI UDIN: 22137138AJCCIS5514



Chartered Accountants

**Annexure - B to the Independent Auditors' Report**

(Referred to in paragraph (g) 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")****Opinion**

We have audited the Internal Financial Controls over financial reporting of **Forbes Technosys Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').

**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 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**

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 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 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.



## 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.

**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.

**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.

**For BATLIBOI & PUROHIT**

Chartered Accountants

ICAI Firm Reg. No.101048W

  
N. S. Gaur

Partner

Membership No. 137138

Place : Mumbai

Date : May 16, 2022

ICAI UDIN: 22137138AJCCIS5514



Particulars	Note No.	As on March 31, 2022	As on March 31, 2021
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
a) Property, plant and equipment	3	12.38	25.81
b) Right of Use asset	3	0.91	84.93
c) Intangible assets	4	918.06	1,463.00
d) Intangible assets under development	4	-	161.49
e) Financial assets:			
i) Other financial assets	5	16.79	17.06
f) Other non-current assets	6	468.67	397.05
<b>Total Non-Current Assets</b>		<b>1,416.81</b>	<b>2,149.34</b>
<b>2 Current assets</b>			
a) Inventories	7	231.67	1,773.71
b) Financial assets:			
i) Trade receivables	8	1,793.16	4,022.95
ii) Cash and cash equivalents	9	1.88	37.60
iii) Bank balances other than (ii) above	9	67.10	62.51
iv) Other financial assets	5	100.64	114.78
c) Other current assets	6	402.06	258.47
<b>Total Current Assets</b>		<b>2,596.51</b>	<b>6,270.02</b>
<b>Total Assets</b>		<b>4,013.32</b>	<b>8,419.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
a) Equity share capital	10	9,489.72	4689.72
b) Other equity	11	(23,613.66)	(19,348.39)
<b>Total Equity</b>		<b>(14,123.94)</b>	<b>(14,658.67)</b>
<b>LIABILITIES</b>			
<b>1 Non-Current Liabilities</b>			
a) Financial liabilities:			
i) Borrowings	12	406.12	2705.75
ii) Lease liabilities		-	21.13
b) Provisions	13	70.13	139.96
<b>Total Non-Current Liabilities</b>		<b>476.25</b>	<b>2,866.84</b>
<b>2 Current Liabilities</b>			
a) Financial liabilities:			
i) Borrowings	14	15,117.61	16,320.43
ii) Lease liabilities		1.22	73.46
iii) Trade payables	15		
(i) Total dues of micro and small enterprises		795.75	884.84
(ii) Total dues of other creditors		1,467.53	2,216.00
iv) Other financial liabilities	16	12.75	32.60
b) Provisions	13	31.76	56.49
c) Other current liabilities	17	234.39	627.37
<b>Total Current Liabilities</b>		<b>17,661.01</b>	<b>20,211.19</b>
<b>Total Liabilities</b>		<b>18,137.26</b>	<b>23,078.03</b>
<b>Total Equity and Liabilities</b>		<b>4,013.32</b>	<b>8,419.36</b>

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
**For Batliboi & Purohit**  
Chartered Accountants  
Firm regn No.101048W

**For and on behalf of the Board of Directors**

Mr. Rohit Jayakar \_\_\_\_\_  
Managing Director

N. S. Gaur  
Partner  
Membership No. 137138

Mr. Jai Mavani  
Director

Mr. Kuppuswamy Subramania  
Director

Mr. Eddie Poonawala \_\_\_\_\_  
Director

Ms. Prachi N. Dave \_\_\_\_\_  
Director

Mr. Vinod Bhandawat  
Director

Mr. Sandeep Kadakia \_\_\_\_\_  
Chief Financial Officer

Ms. Rupa Khanna  
Company Secretary

Place : Mumbai  
Date : May 16, 2022

Place : Mumbai  
Date : May 16, 2022

Particulars		Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Continuing Operations</b>				
I	Revenue from operations	18	1,066.16	2,828.66
II	Other income	19	225.30	64.45
III	<b>Total Income (I + II)</b>		<b>1,291.46</b>	<b>2,893.11</b>
<b>Expenses:</b>				
IV	Cost of materials consumed	20.1	217.80	971.48
	Purchases of stock-in-trade (traded goods)	20.2	99.44	108.64
	Changes in inventories of finished goods and stock-in-trade (traded goods)	20.3	194.37	218.79
	Employee benefits expense	21	412.71	1,057.30
	Finance costs	22	1,637.16	1,933.90
	Depreciation and amortisation expense	23.1	567.69	1,979.13
	Other expenses	23.2	1,065.52	1,932.45
	<b>Total expenses (IV)</b>		<b>4,194.69</b>	<b>8,201.69</b>
V	<b>Profit / (Loss) before tax and Exceptional items from continuing operations (III-IV)</b>		<b>(2,903.23)</b>	<b>(5,308.58)</b>
<b>Exceptional Items</b>				
VI	Impairment of intangibles assets (including assets under development)	4.3	(161.49)	(6,556.59)
	Write down of inventories to net realisable value	7.1	(1,157.84)	(451.25)
VII	<b>Profit / (Loss) before tax from continuing operation (V-VI)</b>		<b>(4,222.56)</b>	<b>(12,316.42)</b>
<b>Tax expense</b>				
VIII	Current tax		-	-
	Earlier years tax adjustments		-	-
	Deferred tax		-	-
IX	<b>Profit / (Loss) for the year from continuing operations (VII - VIII)</b>		<b>(4,222.56)</b>	<b>(12,316.42)</b>
<b>Discontinued operations</b>				
X	<b>Profit / (loss) before tax from discontinued operations</b>	37	-	(860.90)
XI	Tax expense		-	-
XII	<b>Profit / (loss) for the year from discontinued operations</b>		-	<b>(860.90)</b>
XIII	<b>Profit / (Loss) for the year (IX + XII)</b>		<b>(4,222.56)</b>	<b>(13,177.32)</b>
<b>Other comprehensive Income</b>				
Items that will not be reclassified to profit or loss:				
	Remeasure gain/ (loss) of the defined benefit plans		4.79	(21.37)
	Income tax relating to items that will not be reclassified to profit or loss		-	-
	Total other Comprehensive Income for the period /year		4.79	(21.37)
XV	<b>Total Comprehensive income for the period/ year (XIII+ XIV)</b>		<b>(4,217.77)</b>	<b>(13,198.69)</b>
<b>Earning per equity share (face value Rs.10 per share)</b>				
<b>Continuing operations</b>				
	Basic earnings per equity share		(5.08)	(26.40)
	Diluted earnings per equity share		(5.08)	(26.40)
<b>Discontinued operations</b>				
	Basic earnings per equity share		-	(0.54)
	Diluted earnings per equity share		-	(0.54)

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
For **Batliboi & Purohit**  
Chartered Accountants  
Firm regn No.101048W

N. S. Gaur  
Partner  
Membership No. 137138

Place : Mumbai  
Date : May 16, 2022

For and on behalf of the Board of Directors

Mr. Rohit Jayakar \_\_\_\_\_  
Managing Director

Mr. Jai Mavani \_\_\_\_\_  
Director

Mr. Kuppuswamy Subramania \_\_\_\_\_  
Director

Mr. Eddie Poonawala \_\_\_\_\_  
Director

Ms. Prachi N. Dave \_\_\_\_\_  
Director

Mr. Vinod Bhandawat \_\_\_\_\_  
Director

Mr. Sandeep Kadakia \_\_\_\_\_  
Chief Financial Officer

Ms. Rupa Khanna \_\_\_\_\_  
Company Secretary

Place : Mumbai  
Date : May 16, 2022

**FORBES TECHNOSYS LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
<b>Profit/(Loss) before tax from continuing operations</b>		(4,222.56)		(12,316.42)
<b>Profit/(Loss) before tax from discontinued operations</b>		-		(860.90)
<b>Adjustments for -</b>				
Depreciation and amortisation expense	567.69		1,996.29	
Liabilities/ Provisions no longer required written back	(179.36)		(18.81)	
Gain on lease modification/terminations	(10.39)		-	
Interest income	(5.35)		(41.79)	
Finance cost	1,637.16		1,933.90	
Provision for trade receivables	576.75		453.95	
Provision for doubtful advances	-		42.88	
Loans and Advances written off	-		0.81	
Bad debts written off	16.49		-	
Provision for warranty	21.17		31.87	
Provision for obsolete and slow moving inventory	1,157.84		451.25	
Loss on disposal/Write off of assets	0.52		-	
Impairment of intangibles assets (including under assets development) - Discontinued operations	-		789.25	
Impairment of intangibles assets (including under assets development) - Continuing operations	161.49	3,944.01	6,556.59	12,196.19
<b>Operating profit / (loss) before working capital changes</b>		<b>(278.55)</b>		<b>(981.13)</b>
Adjustments for changes in working capital:				
(Decrease) / Increase in Trade payables	(677.42)		171.90	
(Decrease) / Increase in Trade Provisions	(110.94)		(122.45)	
(Decrease) / Increase in Other current liabilities	(392.98)		(232.07)	
(Decrease) / Increase in Other Financial liabilities	(19.85)		(26.35)	
Decrease / (Increase) in Trade receivables	1,636.55		(258.74)	
Decrease/ (Increase) in Inventories	384.20		362.10	
Decrease / (increase) in Other Non Current Assets	(34.87)		(5.17)	
Decrease / (Increase) in Other Financial Assets	14.41		73.57	
Decrease / (increase) in Other Current Assets	(143.59)	655.51	254.96	217.75
<b>Cash generated from operations</b>		<b>376.96</b>		<b>(763.38)</b>
Income taxes (paid)/ Refund (net)		(36.75)		437.95
<b>(a) Net cash generated from operating activities</b>		<b>340.21</b>		<b>(325.43)</b>
<b>Cash flows from investing activities:</b>				
Payments for Property Plant and Equipment and intangible assets (after adjustments on account of Intangibles Under Development and capitalised expenses)	-		(64.25)	
Movement in fixed deposits not considered as cash equivalents	(4.59)		(46.56)	
Proceeds from sale of property plant and equipment	1.01			
Interest income received	5.35	1.77	41.79	(69.02)
<b>(b) Net cash used in investing activities</b>		<b>1.77</b>		<b>(69.02)</b>
<b>Cash flows from financing activities:</b>				
Cost paid relating to conversion of ICD to equity	(47.50)		-	
Inter Corporate Deposits from Related Party	5,198.23		3,550.50	
Repayment of Inter corporate deposit	(15.00)		(125.00)	
Proceeds from non current borrowings (including working capital term loans)	-		2,693.82	
Repayment of non current borrowings (including debetnures)	(4,684.50)		(392.85)	
Proceeds from / (Repayment of) cash credits (net)	(89.70)		(4,240.74)	
Principal payment of Lease liabilities	(10.96)		(91.60)	
Finance costs paid	(728.27)	(377.70)	(1,139.94)	254.19
<b>(c) Net cash (used) in / generated from financing activities</b>		<b>(377.70)</b>		<b>254.19</b>

**FORBES TECHNOSYS LIMITED**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	(d) Net increase/ (decrease) in cash and cash equivalents (a + b + c)		(35.72)	
(e) Cash and cash equivalents as at the commencement of the period				
Balances with banks in current accounts	37.53		177.79	
Cash on hand	0.07	37.60	0.07	177.86
(f) Cash and cash equivalents as at the end of the period (d + e)				
Balances with banks in current accounts	1.82		37.53	
Cash on hand	0.06	1.88	0.07	37.60

The accompanying notes form an integral part of the financial statements.

As per our report of even date

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

N. S. Gaur  
Partner  
Membership No. 137138

**For and on behalf of the Board of Directors**

Mr. Rohit Jayakar \_\_\_\_\_  
Managing Director

Mr. Jai Mavani \_\_\_\_\_  
Director

Mr. Kuppuswamy Subramania \_\_\_\_\_  
Director

Mr. Eddie Poonawala \_\_\_\_\_  
Director

Ms. Prachi N. Dave \_\_\_\_\_  
Director

Mr. Vinod Bhandawat \_\_\_\_\_  
Director  
Chief Financial Officer

Ms. Rupa Khanna \_\_\_\_\_  
Company Secretary

Place : Mumbai  
Date : May 16, 2022

Place : Mumbai  
Date : May 16, 2022



A) Equity Share Capital		(Rs. In lakhs)	
Particulars	As on March 31, 2022	As on March 31, 2021	
Balance at the beginning of the current reporting period	4,689.72	3,689.72	
Changes in Equity Share Capital due to prior period errors	-	-	
Restated balance at the beginning of the current reporting period	4,689.72	3,689.72	
Changes in equity share capital during the current year	4,800.00	1,000.00	
Balance at the end of the current reporting period	9,489.72	4,689.72	

B) Other equity						(Rs. In lakhs)
Particulars	Equity component of compound financial instruments	Retained earnings	Deemed capital contribution	Instruments Entirely Equity in Nature	Total	
<b>Current year</b>						
<b>Balance at March 31, 2021</b>	1,685.37	(27,462.51)	228.75	6,200.00	(19,348.39)	
Profit/(Loss) for the year from continuing operations	-	(4,222.56)	-	-	(4,222.56)	
Other comprehensive income for the year	-	4.79	-	-	4.79	
Transaction cost relating to issue of equity shares	-	(47.50)	-	-	(47.50)	
<b>Balance at March 31, 2022</b>	<b>1,685.37</b>	<b>(31,727.78)</b>	<b>228.75</b>	<b>6,200.00</b>	<b>(23,613.66)</b>	
<b>Previous year</b>						
<b>Balance at March 31, 2020</b>	1,685.37	(14,263.82)	228.75	6,200.00	(6,149.70)	
Profit/(Loss) for the year from continuing operations	-	(12,316.42)	-	-	(12,316.42)	
Profit/(Loss) for the year from discontinued operation	-	(860.90)	-	-	(860.90)	
Other comprehensive income for the year	-	(21.37)	-	-	(21.37)	
<b>Balance at March 31, 2021</b>	<b>1,685.37</b>	<b>(27,462.51)</b>	<b>228.75</b>	<b>6,200.00</b>	<b>(19,348.39)</b>	

The accompanying notes form an integral part of the financial statements.

As per our report of even date  
**For Batliboi & Purohit**  
 Chartered Accountants  
 Firm regn No.101048W

N. S. Gaur  
 Partner  
 Membership No. 137138

Place : Mumbai  
 Date : May 16, 2022

**For and on behalf of the Board of Directors**

Mr. Rohit Jayakar \_\_\_\_\_  
 Managing Director

Mr. Jai Mavani \_\_\_\_\_  
 Director

Mr. Kuppuswamy Subramania \_\_\_\_\_  
 Director

Mr. Eddie Poonawala \_\_\_\_\_  
 Director

Ms. Prachi N. Dave \_\_\_\_\_  
 Director

Mr. Vinod Bhandawat \_\_\_\_\_  
 Director

Mr. Sandeep Kadakia \_\_\_\_\_  
 Chief Financial Officer

Ms. Rupa Khanna \_\_\_\_\_  
 Company Secretary

Place : Mumbai  
 Date : May 16, 2022

Note No. 3 - Property, Plant and Equipment and Right of use assets

(Rs. in Lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
<b>A) Property, Plant and Equipment</b>		
Carrying amount of :		
a) Furniture & Fixtures	1.31	2.31
b) Data Processing Equipments	5.85	15.11
c) Office equipment	5.22	8.39
	<b>12.38</b>	<b>25.81</b>
<b>B) Right of use assets</b>		
a) Buildings/ Premises	0.91	84.93
	<b>0.91</b>	<b>84.93</b>
<b>Total</b>	<b>13.29</b>	<b>110.74</b>

Particulars	Property, Plant and Equipment				Total
	ROU Buildings/ Premises	Furniture & Fixtures	Data Processing Equipments	Office equipment	
<b>I. Cost/ Deemed cost</b>					
Balance as at March 31, 2020	247.25	20.36	805.27	80.99	1,153.87
(+) Additions	-	-	-	0.63	0.63
(-) Disposals/Write off					
Balance as at March 31, 2021	247.25	20.36	805.27	81.62	1,154.50
(+) Additions	-	-	-	-	-
(-) Disposals/Write off	209.87	9.61	81.89	12.05	313.42
Balance as at March 31, 2022	37.38	10.75	723.38	69.57	841.08
<b>II. Accumulated depreciation</b>					
Balance as at March 31, 2020	84.00	17.40	763.79	69.39	934.58
Depreciation expense	78.32	0.65	26.37	3.84	109.18
Eliminated on disposals of assets					
Balance as at March 31, 2021	162.32	18.05	790.16	73.23	1,043.76
Depreciation expense	10.85	0.65	8.45	2.80	22.75
Eliminated on disposals of assets	136.70	9.26	81.08	11.68	238.72
Balance as at March 31, 2022	36.47	9.44	717.53	64.35	827.79
<b>III. Carrying Amount</b>					
Balance as at March 31, 2021	84.93	2.31	15.11	8.39	110.74
Balance as at March 31, 2022	0.91	1.31	5.85	5.22	13.29

**Note:**

(i) Refer Note 12 for details of Property, Plant and Equipment pledged as security for the loans obtained from the Banks.

(ii) Data processing equipment includes equipment under lease having carrying amount as on March 31, 2022 is Rs.0.79 Lakhs (as on March 31, 2021 is Rs.6.49 Lakh)

FORBES TECHNOSYS LIMITED  
Notes forming part of the financial statements

Note No. 4 - Intangible assets and intangible assets under development

Particulars	(Rs. in Lakhs)	
	As on March 31, 2022	As on March 31, 2021
<b>Intangible Assets</b>		
Carrying amount of :		
a) Internally developed Product related softwares and related technologies	918.06	1,463.00
b) Acquired Operational related softwares	-	-
	<b>918.06</b>	<b>1,463.00</b>

Particulars	Product related software	Operational software	Total
<b>I. Cost/Deemed cost</b>			
<b>Balance at March 31, 2020</b>	<b>10,729.71</b>	<b>180.48</b>	<b>10,910.19</b>
(+) Additions			
Additions from separate acquisitions	63.61	-	63.61
Additions from internal developments	635.23	-	635.23
(-) Disposals/Write off	-	-	-
<b>Balance at March 31, 2021</b>	<b>11,428.55</b>	<b>180.48</b>	<b>11,609.03</b>
(+) Additions			
Additions from separate acquisitions	-	-	-
Additions from internal developments	-	-	-
(-) Disposals/Write off	-	-	-
<b>Balance at March 31, 2022</b>	<b>11,428.55</b>	<b>180.48</b>	<b>11,609.03</b>
<b>II. Accumulated amortisation / Impairment</b>			
<b>Balance at March 31, 2020</b>	<b>2,701.96</b>	<b>180.18</b>	<b>2,882.14</b>
Amortisation expenses for the year (Continuing operations)	1,869.65	0.30	1,869.95
Amortisation expenses for the year (Discontinued operations)	17.16	-	17.16
Impairment (Continuing operations)	4,798.72	-	4,798.72
Impairment (Discontinued operations)	578.06	-	578.06
Eliminated on disposals of assets	-	-	-
<b>Balance at March 31, 2021</b>	<b>9,965.55</b>	<b>180.48</b>	<b>10,146.03</b>
Amortisation expenses for the year (Continuing operations)	544.94	-	544.94
Amortisation expenses for the year (Discontinued operations)	-	-	-
Impairment (Continuing operations)	-	-	-
Impairment (Discontinued operations)	-	-	-
Eliminated on disposals of assets	-	-	-
<b>Balance at March 31, 2022</b>	<b>10,510.49</b>	<b>180.48</b>	<b>10,690.97</b>
<b>III. Carrying Amount</b>			
Balance as at March 31, 2021	1,463.00	-	1,463.00
Balance as at March 31, 2022	918.06	-	918.06

Note 4.1- Carrying amount of internally developed product related softwares and related technologies:

Particular	(Rs. in lakhs)	
	Carrying amount as on 31.03.2022	Carrying amount as on 31.03.2021
Cheque truncation system	913.34	1,374.43
Queue management system	-	80.57
Other computer softwares	4.76	7.99
	<b>918.10</b>	<b>1,462.99</b>

Note :

Refer Note 12 for details of Intangible assets as security for the loans obtained from the Banks.

Note No. 4.2 - Intangible Assets Under Development

Particulars	(Rs. in lakhs)	
	As on March 31, 2022	As on March 31, 2021
<b>Carrying amount at the beginning of the Year</b>	<b>161.49</b>	<b>2,765.79</b>
Less: completed during the year	-	(635.23)
Less: Write-off/Impaired during the year (Continuing operation)	(161.49)	(1,757.87)
Less: Write-off/Impaired during the year (Discontinued operation)	-	(211.19)
<b>Carrying amount at the end of the Year</b>	<b>Total</b>	<b>161.49</b>

Note No. 4.3 Impairment analysis and provision

During the year, based on management's assessment about the current stage of development, expected time and cost required to complete and expected revenues from the projects, the Company has concluded that the carrying value of Rs. 161.49 were impaired as an exceptional item in the statement of profit and loss.

Particular	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Related to Continuing operations</b>		
Financial Inclusion	-	350.70
Insurance and Banking Kiosks	-	2,739.36
Internet of Things	-	350.53
Online money transfer	-	1,185.27
Queue management system	-	21.69
Other computer softwares	-	151.17
Intangible assets under development	161.49	1,757.87
<b>Total Disclosed as exceptional items</b>	<b>161.49</b>	<b>6,556.59</b>
<b>Related to Discontinued operations</b>		
Online money transfer and utility recharge	-	578.06
Intangible assets under development	-	211.19
<b>Total included under discontinued operation</b>	<b>-</b>	<b>789.25</b>
<b>Total impairment expenses for the year</b>	<b>161.49</b>	<b>7,345.85</b>

Note No.4.4 Ageing schedule

Intangible assets under development ageing schedule as on March 31, 2021				
Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years
Verification, Authentication & Productivity	-	140.35	-	-
CTS	-	-	21.14	-
Intangible assets under development ageing schedule as on March 31, 2022				
Particulars	Less than 1 year	1-2 years	2-3 years	more than 3 years
Verification, Authentication & Productivity	-	-	-	-
CTS	-	-	-	-

Note No. 5 - Other financial assets

(Rs. in Lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
<b><u>Non-current</u></b>		
a) Deposits with bank held as margin money with remaining maturity of more than 12 months	16.79	17.06
<b>Total</b>	<b>16.79</b>	<b>17.06</b>
<b><u>Current</u></b>		
a) Security deposits	40.05	48.75
Less: Provision for doubtful deposits	(22.88)	(22.88)
	17.17	25.87
b) Earnest money deposits	83.47	88.91
<b>Total</b>	<b>100.64</b>	<b>114.78</b>

**FORBES TECHNOSYS LIMITED**  
**Notes forming part of the financial statements**

**Note No. 6 - Other assets**

(Rs. in Lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
<b><u>Non-current</u></b>		
a) Advance income tax	339.97	303.22
b) Balances with statutory / government authorities - VAT	128.70	93.83
<b>Total</b>	<b>468.67</b>	<b>397.05</b>
<b><u>Current</u></b>		
a) Prepaid expenses	0.26	11.22
b) Balances with statutory / government authorities	37.32	2.60
c) Others		
i) Advances to Suppliers	33.13	66.47
Less: Provision for doubtful advances	(20.00)	(20.00)
	<b>13.13</b>	<b>46.47</b>
ii) Advances to Employees	4.22	8.50
iii) Others*	189.68	189.68
IV) Contract assets	157.45	-
<b>Total</b>	<b>402.06</b>	<b>258.47</b>

\*Includes Rs. 175.20 lakhs recoverable from one customer against bank guarantee invoked by the customer on alleged delay/non performance of service. However, the delay/nonperformance was on account of covid-19 restriction on travel. The Company has already started the process of resolving the pending service calls as per a systematic plan agreed upon with the customer. The management believes that all service calls will be resolved satisfactorily and the amount of bank guarantee is fully recoverable.

**Note No. 7 - Inventories**

Particulars	As on March 31, 2022	As on March 31, 2021
<b>Valued at lower of cost and net realizable value</b>		
a) Raw materials and components	24.67	540.24
b) Finished goods (Other than those acquired for trading)	0.41	162.79
c) Stock-in-trade (Traded goods)	206.59	1,070.68
<b>Total</b>	<b>231.67</b>	<b>1,773.71</b>

**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.

**Note No. 7.1 Exceptional Item - Write down of inventory to Net realisable value**

Expense in respect of shortages and written down of slow-moving, damaged or obsolete inventories to their net realisable value amounted to Rs.1157.84 lakh (2021: Rs. 451.25 Lakhs). The following amounts have been disclosed separately in the statement of profit and loss during the year as exceptional item and previous year figures have been regrouped accordingly, which were included under "Changes in inventories of finished goods and stock-in-trade (traded goods)".

FORBES TECHNOSYS LIMITED  
Notes forming part of the financial statements

Note No. 8 - Trade receivables

Particulars	As on March 31, 2022	As on March 31, 2021
<b>Current</b>		
i) Unsecured, considered good		
From related parties (Refer note (i) below)	0.30	0.30
From others	1,792.86	4,022.65
ii) Unsecured, considered doubtful	2,326.11	1,749.36
	4,119.27	5,772.31
Less: Allowance for Expected Credit Loss	2,326.11	1,749.36
<b>Total</b>	<b>1,793.16</b>	<b>4,022.95</b>

Notes:

- i) These amounts are receivable from a private company in which one or more directors of the Company were directors in the said private company during the year.
- ii) 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. The disclosures under trade receivable which have significant increase in credit risk and credit impaired trade receivable are based on collective pool based assessment for a group of balances falling under particular age brackets. No individual customer has been identified which have significant increase in credit risk or which are credit impaired.
- iii) The Company considers customer type (as below) while making such assessment for the purpose of determining the expected credit loss allowance.

Category of Customers	As on March 31, 2022	As on March 31, 2021
Banks	2,875.38	4,363.54
Dealers	105.65	95.13
Forbes Xpress	-	123.01
Government	820.68	1,118.69
Related Party	0.30	0.30
Others	317.26	71.64
<b>Grand Total</b>	<b>4,119.27</b>	<b>5,772.31</b>

Trade Receivable as at 31st March 2022	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	187.90	82.92	405.87	732.62	-	1,409.31
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	825.37	825.37
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	1,884.60	1,884.60

Trade Receivable as at 31st March 2021	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade Receivables – considered good	812.24	954.45	757.31	695.33	-	3,219.33
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	1,313.46	1,313.46
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	1,239.51	1,239.51

Movement in the expected credit loss allowance

Particulars	As on March 31, 2022	As on March 31, 2021
Balance at the beginning of the year	1,749.36	1,295.41
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	576.75	453.95
<b>Balance at the end of the year</b>	<b>2,326.11</b>	<b>1,749.36</b>

Note No. 9 - Cash and bank balances

Particulars	As on March 31, 2022	As on March 31, 2021
<b>a) Cash and cash equivalents</b>		
i) Cash on hand	0.06	0.07
ii) Balances with bank - In current accounts	1.82	37.53
<b>Total</b>	<b>1.88</b>	<b>37.60</b>
<b>b) Other bank balances</b>		
Balances held as margin money with remaining maturity of less than 12 months	67.10	62.51
<b>Total</b>	<b>67.10</b>	<b>62.51</b>

Note No. 10 - Equity share capital

Particulars	As on March 31, 2022		As on March 31, 2021	
	No. of shares	Amount	No. of shares	Amount
a) Authorised share capital Equity shares of Rs.10 each	94,897,200.00	9,489.72	47,000,000	4,700.00
b) Issued, subscribed and fully paid: Equity Shares of Rs.10 each with voting rights	94,897,200.00	9,489.72	46,897,200	4,689.72
<b>Total</b>	<b>94,897,200.00</b>	<b>9,489.72</b>	<b>46,897,200</b>	<b>4,689.72</b>

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	Amount
<u>Equity shares with voting rights :</u>		
Balance as at March 31, 2020	36,897,200	3,689.72
Issued during the year*	10,000,000	1,000.00
Balance as on March 31, 2021	46,897,200	4,689.72
Issued during the year*	48,000,000	4,800.00
Balance as on March 31, 2022	94,897,200	9,489.72

\* Inter corporate deposit converted in to equity share during the year

ii) Rights attached to equity shares:

- Right to receive dividend as may be approved by the Board / at the Annual General Meeting.
- 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.
- 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	No. of shares
<b>As at March 31, 2021</b>		
Forbes & Company Limited, the Holding company		25,000,000
Forbes Campbell Finance Limited, the fellow subsidiary company		21,897,195
<b>As at March 31, 2022</b>		
Forbes & Company Limited, the Holding company		73,000,000
Forbes Campbell Finance Limited, the fellow subsidiary company		21,897,195

iv) Details of Equity shares held by each shareholder holding more than 5% shares:

Particulars	No. of shares held	% of holding
<b>As at March 31, 2022</b>		
Forbes & Company Limited, the Holding company	73,000,000	76.93%
Forbes Campbell Finance Limited, the fellow subsidiary company	21,897,195	23.07%
<b>As at March 31, 2021</b>		
Forbes & Company Limited, the Holding company	25,000,000	53.31%
Forbes Campbell Finance Limited, the fellow subsidiary company	21,897,195	46.69%

v) Shareholding of Promoters

Promoter name	As at March 31, 2022	As at March 31, 2021	%total shares	% change during the year
	No. of shares held	No. of shares held		
a) Fully paid equity share of Rs.10 each				
Forbes & Company Limited, the Holding company	73,000,000	25,000,000	76.93%	23.62%
Forbes Campbell Finance Limited, the fellow subsidiary company	21,897,195	21,897,195	23.07%	-23.62%
b) 10% Non Cumulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each				
Forbes & Company Limited, the Holding company	60,000,000	60,000,000	83.33%	-

vi) No shares were allotted pursuant to contract(s) without payment being received in cash or by way of bonus shares and no shares were bought back during the period of five years immediately preceding March 31, 2022.

**FORBES TECHNOSYS LIMITED**  
**Notes forming part of the financial statements**

**Note No. 11 - Other Equity**

(Rs. In lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
a) Equity component of compound financial instruments		
Equity component of 0.1% Cumulative non-convertible preference shares	894.42	894.42
Interest component of Compound Financial instruments reclassified to equity	790.95	790.95
	1,685.37	1,685.37
b) Retained earnings	(31,727.78)	(27,462.51)
c) Deemed capital contribution - Financial Guarantee commission	228.75	228.75
d) Instruments entirely equity in nature	6,200.00	6,200.00
<b>Balance at the end of the year</b>	<b>(23,613.66)</b>	<b>(19,348.39)</b>

Particulars	Amount
<b>a) Equity component of compound financial instruments</b>	
<b>(i) Equity component of 0.1% Cumulative, non-convertible, redeemable preference shares</b>	
Balance as on March 31, 2020	894.42
Add: Addition during the year	-
<b>Balance as on March 31, 2021</b>	<b>894.42</b>
Add: Addition during the year	-
<b>Balance as on March 31, 2022</b>	<b>894.42</b>
<b>(ii) Interest component of Compound Financial instruments reclassified to equity</b>	
Balance as on March 31, 2020	790.95
Add: Addition during the year	-
Balance as on March 31, 2021	790.95
Add: Addition during the year	-
<b>Balance as on March 31, 2022</b>	<b>790.95</b>
Equity component of compound financial instruments (i+ii)	1,685.37
<b>b) Retained earnings</b>	
Balance as on March 31, 2020	(14,263.82)
Add: Profit/(Loss) for the year from continuing operations	(12,316.42)
Add: Profit/(Loss) for the year from discontinued operation	(860.90)
Add: Transfer from Other Comprehensive Income	-
Add: Other Comprehensive income - Remeasurement of defined benefit plans	(21.37)
Less: Transaction cost relating to issue of equity shares	-
<b>Balance as on March 31, 2021</b>	<b>(27,462.51)</b>
Balance as on March 31, 2021	(27,462.51)
Add: Profit/(Loss) for the year from continuing operations	(4,222.56)
Add: Profit/(Loss) for the year from discontinued operation	-
Add: Transfer from Other Comprehensive Income	4.79
Add: Other Comprehensive income - Remeasurement of defined benefit plans	-
Less: Transaction cost relating to issue of equity shares	(47.50)
<b>Balance as on March 31, 2022</b>	<b>(31,727.78)</b>
<b>c) Deemed capital contribution - Financial Guarantee commission</b>	
Balance as on March 31, 2020	228.75
Add: Accrued during the year	-
<b>Balance as on March 31, 2021</b>	<b>228.75</b>
Balance as on March 31, 2021	228.75
Add: Accrued during the year	-
<b>Balance as on March 31, 2022</b>	<b>228.75</b>
<b>d) Instrument entirely equity in nature</b>	
Balance as on March 31, 2020	6,200.00
Add: Issued during the year	-
<b>Balance as on March 31, 2021</b>	<b>6,200.00</b>
Balance as on March 31, 2021	6,200.00
Add: Issued during the year	-
<b>Balance as on March 31, 2022</b>	<b>6,200.00</b>



Note No. 12 - Borrowings - Non- Current		(Rs. In lakhs)	
Particulars	As on March 31, 2022	As on March 31, 2021	
<b>a) Debentures - Unsecured (at amortised cost)</b>			
i) Forbes Technosys Ltd, 9.90% 2020 (350 of face value of Rs. 10,00,000/- each) (Refer note no. 12.1 below)	-	1,166.67	
<b>b) Working capital Term loans - Secured (at amortised cost)</b>			
From Banks:			
i) Axis Bank Ltd (Refer note no. 12.2 below)	-	277.00	
ii) DCB bank (Refer note no. 12.3 below)	-	604.67	
<b>c) Term loans - Unsecured (at amortised cost)</b>			
From Banks:			
Yes Bank (Refer note no. 12.4 below)	-	247.59	
Yes Bank (Funded Interest Term Loan- FITL) (Refer note no. 12.4 below)	-	10.21	
<b>d) Corporate loan - Secured (at amortised cost)</b>			
From Banks:			
DCB bank (Refer note no. 12.5 below)	-	37.00	
<b>e) Liability Component of Compound Financial Instrument</b>			
i) Preference Share Capital (Refer note no. 12.6 below)	406.12	362.61	
<b>Total</b>	<b>406.12</b>	<b>2,705.75</b>	

During the month of October 2020, owing to the financial difficulties arising from operational losses, the Company had made an application to its bankers/debenture-holders for invoking One Time Restructuring (OTR) under the 'Resolution Framework for COVID-19 related Stress' as prescribed by the Reserve Bank of India (RBI) vide its notification dated August 06, 2020 for outstanding term loans, cash credit, debentures and other non-funds based facilities.

Consequently, the debentures of Rs. 3,500 lakhs, due for redemption on October 18, 2020, were not redeemed by the Company as the same were part of the OTR process mentioned above.

The aforesaid restructuring process was implemented during the month of March 21 and April 2021 with respective lenders and as a result, the repayment of term loans and debentures were deferred to begin from June 30, 2021 and are payable in 6 equal quarterly instalments. Limits of certain cash credit facilities were reduced and new working capital facilities were granted.

Current maturities of above long term borrowing have been disclosed under note 14 current borrowings.

**The terms of repayment and security information of loans and other debt instruments**

- 12.1) i) Debentures are Unsecured, Redeemable and Non Convertible  
ii) Date of allotment of Debentures : October 18, 2017.  
iii) Revised maturity of Debentures - 6 equal quarterly instalments beginning from June 30, 2021.  
iv) The debentures carry interest @ 9.90% p.a payable on quarterly basis. Interest rate has been revised at 10.40% p.a w.e.f July 18, 2019  
v) The debentures are backed by Corporate Guarantee of Forbes & Company Limited, Holding company
- 12.2) Working capital loan from Axis bank carries interest of 1 Year MCLR + 2.95% and is repayable in six equal quarterly instalment beginning from June 30, 2021.
- 12.3) Working capital loan from DCB bank carries interest of 1 Year MCLR + 1.07% and is repayable in six equal quarterly instalment beginning from June 30, 2021.
- 12.4) Term loan from Yes bank (including FITL term loan interest): carries interest of 1 Year MCLR + 1.80% (as at March 31, 2021 :10.90% to 11.55). The loan is backed by an unconditional and irrevocable Corporate Guarantee of Forbes & Company Limited. Repayable in six equal quarterly instalment beginning from June 30, 2021
- 12.5) Corporate loan from DCB bank: interest of 1 Year MCL + 1.07% per annum (as at March 31,2021: range from 10.03% to 11.50%). Repayable in six equal quarterly instalment beginning from June 30, 2021
- 12.6) 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.(refer note 33 for details of preference share capital)
- 12.7) Facilities from Axis Bank and DCB Bank are secured by 1st Pari-passu charge on the current assets and all movable and immovable fixed assets (present and future) of the company and are backed by 1st Pari-passu charge on property owned by Forbes & Co. Ltd situated at Wagle Estate Thane and corporate guarantee of Forbes & Co. Ltd.

**FORBES TECHNOSYS LIMITED**  
**Notes forming part of the financial statements**

**Note No. 13 - Provisions**

**(Rs. In lakhs)**

Particulars	As on March 31, 2022	As on March 31, 2021
<b><u>Non-current</u></b>		
a) Provision for employee benefits		
i) Gratuity (Refer note 26)	38.77	76.15
ii) Compensated absences	25.01	54.25
b) Other provisions		
i) Assurance Warranty (Refer note below)	6.35	9.56
<b>Total</b>	<b>70.13</b>	<b>139.96</b>
<b><u>Current</u></b>		
a) Provision for employee benefits		
i) Gratuity (see note 26)	10.10	19.24
ii) Compensated absences	6.84	14.94
b) Other provisions		
i) Assurance Warranty (Refer note below)	14.82	22.31
<b>Total</b>	<b>31.76</b>	<b>56.49</b>

**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.

Particulars	Amount
<b>Balance as on March 31, 2020</b>	43.39
Additional provisions recognised	31.87
Reduction arising from utilisation/reversal during the year	(43.39)
<b>Balance as on March 31, 2021</b>	<b>31.87</b>
Additional provisions recognised	21.17
Reduction arising from utilisation/reversal during the year	(31.87)
<b>Balance as on March 31, 2022</b>	<b>21.17</b>

**FORBES TECHNOSYS LIMITED**  
**Notes forming part of the financial statements**

**Note No. 14 - Borrowings- Current**

(Rs. In lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
<b>Unsecured, at amortised cost</b>		
<b>a) Loan from related parties - repayable on demand</b>		
Inter corporate deposits (ICD) (refer note (i) to (iv) below)	12,433.66	11,188.22
<b>b) Current maturities of long-term borrowings</b>		
<b>i) Term loans from banks:</b>		
Yes Bank	247.22	508.29
Yes Bank (Funded Interest Term Loan- FITL)	9.96	20.95
<b>ii) Debentures</b>		
Forbes Technosys Ltd, 9.90% 2020 (350 of face value of Rs. 10,00,000/- each)	1,164.89	2,333.33
	<b>13,855.73</b>	<b>14,050.79</b>
<b>Secured, at amortised cost</b>		
<b>a) ) Loan from banks - repayable on demand (Refer Note (v) below)</b>		
i) Cash credit from Development Credit Bank Limited.	248.51	158.88
ii) Cash credit from Axis Bank Limited.	96.10	275.43
<b>b) Current maturities of long-term borrowings</b>		
<b>i) Working capital term loans from banks:</b>		
Axis Bank Ltd	276.58	552.00
DCB bank	603.75	1,209.33
<b>ii) Corporate loan from bank</b>		
DCB bank	36.94	74.00
	<b>1,261.88</b>	<b>2,269.64</b>
<b>TOTAL</b>	<b>15,117.61</b>	<b>16,320.43</b>

**Notes:**

- (i) Fixed rate ICD from Shapoorji Pallonji Dev Managers Pvt.Ltd(formerly Lucrative Properties Pvt.Ltd.) repayable on demand. The effective rate of interest is 15.0% p.a (as on March 31, 2021 is 15.0% p.a)
- (ii) Fixed rate ICD from Forbes & Company Limited repayable on demand. The effective rate of interest is 11.00% p.a (as on March 31, 2021 is 11.00% p.a.)
- (iii) Fixed rate ICD from Shapoorji Pallonji & Company Pvt Ltd repayable on demand. The rate of interest is 11.50% p.a (as on March 31, 2021 is 11.50%)
- (iv) Fixed rate ICD from Forbes Campbell Finance Ltd repayable on demand. The rate of interest is 11.75% p.a. (as on March 31,2021 is 11.75%)
- (v) 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. Both Cash credit are backed by Corporate Guarantee of Forbes & Company Limited. Interest rate on Axis Bank 3M MCLR +2.95% and DCB Bank One year MCLR +1.07%
- (vi) The company has not defaulted in repayment of any installment of loans payable during the year.
- (vii) The Company initially submits monthly stock and debtor statements at gross amount which is followed up by quarterly financials information net of provisions as appearing the books of account of the Company. There were no discrepancies in the financial information provided by the company to the lenders as compared with books of account of the Company.
- (viii) No charge or satisfaction are pending to be registered with registrar of companies as on March 31, 2022.

**FORBES TECHNOSYS LIMITED**  
Notes forming part of the financial statements

**Note No. 15 - Trade Payables**

(Rs. In lakhs)

Particulars	For the year ended	For the year
	March 31, 2022	ended March 31, 2021
<b>Current</b>		
a) Total outstanding dues of Micro enterprises and small enterprises (Refer Note 28)	795.75	884.84
b) Total outstanding dues of creditors other than Micro enterprises and small enterprises	1,467.53	2,216.00
<b>Total</b>	<b>2,263.28</b>	<b>3,100.84</b>

Trade Payables ageing schedule as on 31st March 2022

(Rs. In lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	53.44	78.59	90.10	573.62	795.75
(ii) Others	541.91	296.26	278.48	257.57	1,374.22
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	80.33	12.99	-	93.32

Trade Payables ageing schedule as on 31st March 2021

(Rs. In lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	179.72	124.50	531.90	48.72	884.84
(ii) Others	1,399.94	337.02	140.52	245.19	2,122.67
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	90.75	2.57	-	-	93.32

**Note No.16 - Other financial liabilities**

(Rs. In lakhs)

Particulars	For the year ended	For the year
	March 31, 2022	ended March 31, 2021
<b>Current</b>		
a) Security Deposits	12.75	32.60
<b>Total</b>	<b>12.75</b>	<b>32.60</b>

**Note No. 17 - Other liabilities**

(Rs. In lakhs)

Particulars	For the year ended	For the year
	March 31, 2022	ended March 31, 2021
<b>Current</b>		
<b>Contract Liabilities</b>		
a) Customers Credit Balances	-	588.90
b) Income received in advance (Unearned revenue)	19.24	9.82
Security deposit - Vendors	16.00	-
Payables to statutory authorities	199.15	28.65
<b>Total</b>	<b>234.39</b>	<b>627.37</b>

**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, 2022	For the year ended March 31, 2021
<b>A) Revenue from contracts from customers</b>		
<b>a) Sale of goods</b>		
i) Manufactured goods		
Kiosks & software	402.69	939.37
ii) Traded goods		
Business Automation Products	228.20	267.83
	<b>630.89</b>	<b>1,207.20</b>
<b>b) Sale of services</b>		
i) Annual maintenance and support services charges	344.61	1,409.17
ii) Transaction charges	72.66	177.95
	<b>417.27</b>	<b>1,587.12</b>
<b>B) Other operating revenues</b>		
Lease Income	18.00	34.34
	<b>18.00</b>	<b>34.34</b>
<b>Total</b>	<b>1,066.16</b>	<b>2,828.66</b>

18.1 No adjustments were required to be made to Contract Prices in respect of discounts, rebates, refunds etc. during the year.

**Note No. 19 - Other income**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>a) Interest income</b>		
i) on fixed deposit with banks	5.35	4.96
ii) on Income Tax refund	-	36.83
<b>b) Liabilities / provisions no longer required written back</b>	179.36	18.81
<b>c) Gain on lease modification/terminations</b>	10.39	-
<b>d) Miscellaneous income</b>	30.20	3.85
<b>Total</b>	<b>225.30</b>	<b>64.45</b>

**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, 2022	For the year ended March 31, 2021
Opening stock of raw materials and components	540.24	683.55
Add: Purchases	27.97	828.17
	568.21	1,511.72
Less: Closing stock of raw materials and components	24.67	540.24
<b>Total</b>	<b>543.54</b>	<b>971.48</b>
<b>Less: Disclosed as exceptional item</b>		
Write down of Inventory to net realisable value (refer note 7.1)	325.74	-
<b>Total</b>	<b>217.80</b>	<b>971.48</b>

**Note No. 20.2 Purchases of stock-in-trade (traded goods)**

(Rs. In lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Scanner	76.78	56.72
Others	22.66	51.92
<b>Total</b>	<b>99.44</b>	<b>108.64</b>

**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, 2022	For the year ended March 31, 2021
<b>a) Inventories at the beginning of the year:</b>		
i) Finished goods	162.79	83.86
ii) Stock-in-trade (traded goods)	1,070.68	1,819.65
	<b>1,233.47</b>	<b>1,903.51</b>
<b>b) Inventories at the end of the year:</b>		
i) Finished goods	0.41	162.79
ii) Stock-in-trade (traded goods)	206.59	1,070.68
	<b>207.00</b>	<b>1,233.47</b>
	<b>1,026.47</b>	<b>670.04</b>
<b>Less: Disclosed as exceptional item</b>		
Write down of Inventory to net realisable value (refer note 7.1)	832.10	451.25
<b>Net increase/Decrease</b>	<b>194.37</b>	<b>218.79</b>

**Note No. 21 - Employee benefits expense****(Rs. In lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Salaries and wages	378.24	1,046.48
b) Contribution to provident and other funds	19.33	46.47
c) Gratuity expense (Refer note no. 26)	12.85	18.56
d) Staff welfare expense	2.29	1.86
	412.71	1,113.37
Less: Allocated to discontinued operations	-	56.07
<b>Total</b>	<b>412.71</b>	<b>1,057.30</b>

**Note No. 22 - Finance costs****(Rs. In lakhs)**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
a) Interest expense on:		
i) Debentures	273.25	370.89
ii) Term loans	273.97	124.62
iii) Cash credits and working capital loans	40.32	446.20
iv) Loans from related parties	958.02	860.87
v) Others	66.58	79.62
vi) Interest on MSME	19.22	25.75
	1,631.36	1,907.95
Less: Amount included in the cost of qualifying asset	-	-
	1,631.36	1,907.95
b) Other borrowing costs	5.80	25.95
<b>Total</b>	<b>1,637.16</b>	<b>1,933.90</b>

**FORBES TECHNOSYS LIMITED**  
**Notes forming part of the financial statements**

**Note No. 23.1 - Depreciation and amortisation**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on Property plant and equipment	11.90	30.86
Amortisation on intangible assets	544.94	1,869.95
Amortisation of ROU assets	10.85	78.32
	567.69	1,979.13

**Note No. 23.2 - Other expenses**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Managed assets service provider's charges	28.24	145.98
Contract labour charges	115.38	689.12
CHI Charges	10.66	17.19
Deferred contract expenses amortised	-	78.05
Power and fuel	14.07	28.11
Rent including lease rentals	3.81	24.53
Repairs and maintenance - Buildings	-	2.48
Repairs and maintenance - Others	1.72	1.25
Insurance	9.54	30.76
Communication	28.19	58.69
Travelling and conveyance	9.88	47.43
Printing and stationery	3.05	4.98
Warranty and AMC expenses (Refer note no. 13)	16.23	55.96
Freight and forwarding	16.78	78.56
Service charges	58.93	67.56
Strategic Support Service Charges	9.14	11.62
Legal and professional	28.25	33.01
Payments to the auditor (Net of Taxes)		
i) Audit fees	4.00	4.51
ii) Tax audit fees	0.25	2.00
iii) Limited Review	3.50	5.50
iv) For reimbursement of expenses	0.02	0.04
Foreign exchange loss (Net)	0.25	6.14
Loans and advances written off	-	0.81
Bad debts written off	16.49	-
Provision for trade receivables (net)	576.75	453.95
Provision for Doubtful Advances	-	42.88
Loss on disposal/Write off of assets	0.52	-
Customer penalty and damages	82.70	-
Miscellaneous expenses	27.17	41.34
<b>Total</b>	<b>1,065.52</b>	<b>1,932.45</b>



**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 sale of goods, the information is further analysed as Trading Segment and Manufacturing Segment and in respect of sale of services as Transaction Network and Support Service Segment. Trading segment includes the sales of sanners and others. Manufacturing segment includes the sale of different types of Kiosks. Transaction network and services comprises 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 on March 31, 2022	As on March 31, 2021	As on March 31, 2022	As on March 31, 2021
<b>Continuing operations</b>				
1) Trading	228.20	267.83	49.83	(629.59)
2) Manufacturing	402.69	939.37	(140.26)	(920.70)
3) Transaction network and support services	435.28	1,621.46	(137.81)	577.68
<b>Discontinued operations</b>				
4) Forbes Xpress	-	872.87	(1,157.84)	(860.91)
<b>Total for continuing operations</b>	<b>1,066.17</b>	<b>3,701.53</b>	<b>(1,386.08)</b>	<b>(1,833.52)</b>
<b>Unallocated</b>				
Other income			225.31	64.44
Finance costs			(1,637.16)	(1,933.89)
Central administration costs and managerial remuneration			(1,424.63)	(9,474.35)
<b>Profit / (Loss) before tax(continuing operations)</b>			<b>(4,222.56)</b>	<b>(13,177.32)</b>

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in current year (2020-21: 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 on March 31, 2022	As on March 31, 2021
<b>Continuing operations</b>		
1) Trading	995.05	1,727.31
2) Manufacturing	226.16	3,059.59
3) Transaction network and support services	1,723.18	2,753.49
<b>Discontinued operations</b>		
4) Forbes Xpress	-	31.24
Total Segment assets	<b>2,944.39</b>	<b>7,571.63</b>
Unallocated corporate assets	1,068.93	847.71
<b>Total assets</b>	<b>4,013.32</b>	<b>8,419.34</b>

(Rs. In lakhs)

Segment liabilities	As on March 31, 2022	As at March 31, 2020
<b>Continuing operations</b>		
Trading	573.48	729.51
Manufacturing	326.83	831.93
Transaction network and support services	295.48	435.56
<b>Discontinued operations</b>		
Forbes Xpress	-	142.62
<b>Total Segment liabilities</b>	<b>1,195.79</b>	<b>2,139.62</b>
Unallocated corporate liabilities	16,941.46	20,938.40
<b>Total liabilities</b>	<b>18,137.25</b>	<b>23,078.02</b>

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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Continuing operations</b>				
Trading	0.08	0.28	-	-
Manufacturing	81.45	726.83	-	-
Transaction network and support services	469.51	498.10	-	-
<b>Discontinued operations</b>				
Forbes Xpress	-	17.16	-	-
<b>Sub Total</b>	<b>551.04</b>	<b>1,242.37</b>	-	-
<b>Unallocated</b>	16.65	753.93	64.24	64.24
<b>Total</b>	<b>567.69</b>	<b>1,996.30</b>	<b>64.24</b>	<b>64.24</b>

24.5 Revenue from major products and services

The following is an analysis of the Company revenue from major products and services.

(Rs. In lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Continuing operations</b>		
Trading - Scanner	113.38	20.05
Trading - Other	114.81	247.78
Manufacturing - Kiosk & software	402.69	939.37
Annual maintenance and support services charges	344.61	1,409.17
Transaction charges & lease income	90.67	212.29
<b>Total</b>	<b>1,066.16</b>	<b>2,828.66</b>
<b>Discontinued operations</b>		
Forbes Xpress (Mobile recharge and commission)	-	872.87
<b>Total</b>	<b>1,066.16</b>	<b>3,701.53</b>

24.6 Information about Major Customers

Two customers individually contributed 10% or more to the company's revenue from continuing operations in current year.

**Note No. 25 - Earnings per Share**

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
1) i) Profit / (Loss) for the year from continuing operations attributable to Owners for Basic earnings	(4,222.53)	(12,316.42)
ii) Effect of dilution on Profit/ (Loss) for the year.	-	-
iii) Profit / (Loss) for the year adjusted after effect of dilution	(4,222.53)	(12,316.42)
2) i) Profit / (Loss) for the year from discontinued operations attributable to Owners for Basic earnings	-	(860.90)
ii) Effect of dilution on Profit/ (Loss) for the year.		
iii) Profit / (Loss) for the year adjusted after effect of dilution		
3) i) Weighted average number of equity shares for the purposes of basic earnings per share (in lakhs)	831.60	466.51
ii) Effect of dilution on weighted average number of equity shares (in lakhs)	-	-
iii) Weighted average number of equity shares for the purposes of diluted earnings per share (in lakhs)	831.60	466.51
4) Par value per share	10.00	10.00
<b>Continuing operation</b>		
Basic earnings per share	(5.08)	(26.40)
Diluted earning per share	(5.08)	(26.40)
<b>Discontinued operations</b>		
Basic earnings per share	-	(0.54)
Diluted earning per share	-	(0.54)

**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 current year since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.

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**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".

Particulars	(Rs. In lakhs)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Contributions to provident fund (including NPS)	19.33	46.47
Contributions to Employees State Insurance	-	0.26

**26.2 Defined benefit plans**

The Company offers Gratuity (included as part of Gratuity expense in Note 21 Employee benefits expense) as employee benefit scheme to its employees. The Company's Gratuity scheme is unfunded.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	(Rs. In lakhs)	
	Valuation as at	
	As on March 31, 2022	As on March 31, 2021
Discount rate(s)	6.09%	5.58%
Expected rate(s) of salary increase	5.00%	5.00%
Attrition	20.00%	20.00%
Retirement age	60 Yrs	60 Yrs
Mortality tables	India Assured Lives Mortality (2012-14) Urban	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 for the estimated term of the obligations.
- b) The estimate of future salary increase considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.
- c) The above information is as certified by the actuary and relied upon by the auditors.

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Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows:

Particulars	(Rs. In lakhs)	
	As on March 31, 2022	As on March 31, 2021
Current Service Cost	7.53	11.57
Past Service Cost and (gain)/loss from settlements	-	-
Net Interest expense	5.32	6.98
<b>Components of defined benefit costs recognised in the Statement of Profit and Loss</b>	<b>12.85</b>	<b>18.56</b>
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(0.79)	(6.27)
Actuarial (Gains)/losses arising from experience assumptions	(4.00)	27.64
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(4.79)</b>	<b>21.37</b>
<b>Total</b>	<b>8.06</b>	<b>39.92</b>

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:

Particulars	(Rs. In lakhs)	
	As on March 31, 2022	As on March 31, 2021
Opening defined benefit obligations	95.39	121.33
Current service cost	7.53	11.57
Interest Cost	5.32	6.99
Past Service Cost and (gain)/loss from settlements	-	-
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(0.79)	(6.27)
Actuarial (Gains)/losses arising from experience assumptions	(4.00)	27.64
Benefits paid	(54.58)	(65.87)
<b>Closing defined benefit obligation</b>	<b>48.87</b>	<b>95.39</b>

**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 (2012-14).

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**26.4 Experience adjustments**

<b>Particulars</b>	<b>(Rs. In lakhs)</b>
	<b>Amount</b>
<b>As on March 31, 2022</b>	
Opening Net Liability	95.39
Expense as above	12.85
Amount Recognised in Balance Sheet	48.87
Experience gain / (loss) adjustments on plan liabilities	4.79
<b>As on March 31, 2021</b>	
Opening Net Liability	121.33
Expense as above	18.56
Amount Recognised in Balance Sheet	95.39
Experience gain / (loss) adjustments on plan liabilities	(21.37)

**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.

<b>Particulars</b>	<b>(Rs. In lakhs)</b>	
	<b>As on March 31, 2022</b>	<b>As on March 31, 2021</b>
Projected Benefit Obligation on Current Assumptions	48.87	95.39
Delta Effect of +1% Change in Rate of Discounting	(1.47)	(3.12)
Delta Effect of -1% Change in Rate of Discounting	1.57	3.38
Delta Effect of +1% Change in Rate of Salary Increase	1.58	3.36
Delta Effect of -1% Change in Rate of Salary Increase	(1.50)	(3.17)
Delta Effect of +1% Change in Rate of Employee Turnover	0.06	0.03
Delta Effect of -1% Change in Rate of Employee Turnover	(0.07)	(0.04)

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.

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**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, 2022 is negative 0.19 (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:

Particulars	(Rs. In lakhs)	
	As on March 31, 2022	As on March 31, 2021
Paid-up debt capital (Refer Note (i) Below)	2,745.45	7,390.01
Equity (Refer Note (ii) Below)	(14,123.92)	(14,658.67)
Net debt to equity ratio	(0.19)	(0.50)

**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**

Particulars	(Rs. In lakhs)	
	As on March 31, 2022	As on March 31, 2021
<b>Financial Assets</b>		
(a) Cash and bank balances	68.97	100.11
(b) Other financial assets at amortised cost		
(i) Other Financial assets	117.42	131.84
(ii) Trade receivables	1,793.16	4,022.95
<b>Total</b>	<b>1,979.55</b>	<b>4,254.90</b>
<b>Measured at Amortised cost</b>		
(i) Other Financial liabilities	12.75	4,730.50
(ii) Borrowings	15,523.72	14,328.26
(iii) Trade Payables	2,263.29	3,100.83
<b>Total</b>	<b>17,799.76</b>	<b>22,159.59</b>

**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 Companies foreign currency transaction are insignificant, accordingly the company is not exposed to material foreign currency risk

**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, 2022 would increase/decrease by Rs.15.38 Lakhs (for the year ended March 31, 2021: increase/decrease By Rs. 31.53 Lakhs ). This is mainly attributable to the company's exposure to interest rate on its variable rate borrowings.

**27.7 Financial risk management objectives**

The Company activities expose it to financial risk- credit risk and liquidity risk . In order to manage the aforementioned risk the company operates the risk management policy.

The Company function reports quarterly to the Group's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

**27.7.1 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. Ongoing credit evaluation is performed on the financial condition of accounts receivable. Refer 8 for credit evaluation process and provision for expected credit loss.

**27.7.2 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.



27.7.3 Liquidity and interest risk tables

Expected maturity for Non-derivative financial liability other than lease liabilities

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
<b>March 31, 2022</b>					
<b>Non-interest bearing</b>					
Trade payables		2,263.29			
Security deposits		12.75			
<b>Variable interest rate instruments</b>					
Yes bank -Term Loan	1 Year MCLR + 1.80%	247.22			
Yes bank -FITL Loan	1 Year MCLR + 1.80%	9.96			
DCB bank - Working capital Term Loan	1 Year MCLR + 1.07%	603.75			
DCB bank - Term loan	1 Year MCLR + 1.07%	36.94			
Axis bank Working capital Term loan	1 Year MCLR + 2.95%	276.58			
Axis -Cash Credit	3M MCLR +2.95%	96.10			
DCB -Cash Credit	1 Year MCLR + 1.07%	248.51			
<b>Fixed interest rate instruments</b>					
Debenture - Axis Bank	10.40%	1,164.89			
<b>Loans from related parties</b>					
Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)	15.00%	345.17			
Forbes & Company	11.00%	3,561.99			
Shapoorji Pallonji and Co. Pvt. Ltd.	11.50%	7,881.63			
Forbes Campbell Finance Ltd	11.00%	467.84			
Volkart Fleming Shipping and Services Limited	11.00%	177.04			
<b>March 31, 2021</b>					
<b>Non-interest bearing</b>					
Trade payables		3,100.83			
Security deposits		32.60			
<b>Variable interest rate instruments</b>					
Yes bank -Term Loan	10.90% - 11.55%	495.18	247.59		
Yes bank -FITL Loan	9.06% - 11.37%	20.41	10.21		
DCB bank - Term Loan	10.03% - 11.50%	1,209.33	604.67		
DCB bank - Working capital Term Loan	One year MCLR +1.07%	74.00	37.00		
Axis bank Working capital Term loan	One year MCLR +2.95%	552.00	277		
Axis -Cash Credit	3 Month MCLR +2.95%	552.00	0		
DCB -Cash Credit	One year MCLR +1.07%	1,209.33	-		
<b>Fixed interest rate instruments</b>					
Debenture - Axis Bank	10.40%	1,166.67	2,333.33		
<b>Loans from related parties - I</b>					
Shapoorji Pallonji Dev Managers Pvt.Ltd(formerly Lucrative Pro	15.00%	318.17			
Forbes & Company	11.00%	3,459.28			
Shapoorji Pallonji and Co. Pvt. Ltd.	11.50%	7,242.52			
Forbes Campbell Finance Ltd	11.75%	3,459.28			
Volkart Fleming Shipping and Services Limited	11.00%	162.61			

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**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
<b>March 31, 2022</b>					
<b>Non-interest bearing</b>					
Trade receivables		1,793.16	-	-	1,793.16
Cash and cash equivalents		1.88	-	-	1.88
Security deposits		17.17	-	-	17.17
Earnest money deposits		83.47	-	-	83.47
<b>Fixed interest rate instruments</b>					
Deposits with bank	6.25% -8.80%	67.10	16.79	-	83.89

Particulars	Interest rate	Less than 1 year	1-5 years	5 + years	Total
<b>March 31, 2021</b>					
<b>Non-interest bearing</b>					
Trade receivables		4,022.94	-	-	4,022.94
Cash and cash equivalents		37.60	-	-	37.60
Security deposits		25.87	-	-	25.87
Earnest money deposits		88.91	-	-	88.91
<b>Fixed interest rate instruments</b>					
Deposits with bank	6.25% -8.80%	62.51	59.04	-	121.55

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.155.39 Lakhs were unused at the end of the reporting period (as at March 31, 2021: Rs.65.69 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 on March 31, 2022	As on March 31, 2021
<b>Secured bank overdraft facility:</b>		
- Amount used	344.61	434.31
- Amount unused	155.39	65.69
	<b>500.00</b>	<b>500.00</b>
<b>Secured bank term loan facility</b>		
- Amount used	36.94	111.00
- Amount unused	-	-
	36.94	111.00
<b>Unsecured bank term loan facility</b>		
- Amount used	257.17	773.39
- Amount unused	-	-
	<b>257.17</b>	<b>773.39</b>
<b>Secured working capital loan facility</b>		
- Amount used	880.32	2,643.00
- Amount unused	-	-
	<b>880.32</b>	<b>2,643.00</b>

**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 on March 31, 2022		As on March 31, 2021	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial Assets</b>				
<b>Financial Assets at amortised cost:</b>	<b>1,979.56</b>	<b>1,979.56</b>	<b>4,254.90</b>	<b>4,254.90</b>
Other non-current financial assets	16.79	16.79	17.06	17.06
Trade receivables	1,793.16	1,793.16	4,022.95	4,022.95
Cash and cash equivalent	1.87	1.87	37.60	37.60
Bank Balances	67.10	67.10	62.51	62.51
Other current financial assets	100.64	100.64	114.78	114.78
<b>Financial Liabilities</b>				
<b>Financial Liabilities held at amortised cost:</b>	<b>17,799.76</b>	<b>17,799.76</b>	<b>22,159.60</b>	<b>22,159.60</b>
Borrowings (Non current)	406.12	406.12	2,705.74	2,705.74
Trade payables	2,263.29	2,263.29	3,100.83	3,100.83
Borrowings (Current) Including current maturities	15,117.60	15,117.60	16,320.43	16,320.43
Other current financial liabilities				
	12.75	12.75	32.60	32.60

**Fair value hierarchy**

(Rs. In lakhs)

Particulars	Fair value hierarchy as at March 31, 2021			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
<b>Financial Assets at amortised cost:</b>	<b>68.97</b>	-	<b>1,910.58</b>	<b>1,979.55</b>
Other non-current financial assets	-	-	16.79	16.79
Trade receivables	-	-	1,793.16	1,793.16
Cash and cash equivalent	1.87	-	-	1.87
Bank Balances	67.10	-	-	67.10
Other current financial assets	-	-	100.64	100.64
<b>Financial Liabilities</b>				
<b>Financial Liabilities held at amortised cost:</b>	-	-	<b>17,799.76</b>	<b>17,799.76</b>
Borrowings (Non-current)	-	-	406.12	406.12
Trade payables	-	-	2,263.29	2,263.29
Borrowings (Current)	-	-	15,117.60	15,117.60
Other current financial liabilities (Including current maturities of long term debts)	-	-	12.75	12.75

**Note No. 28 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

(Rs. In lakhs)

Particulars	As on March 31, 2022	As on March 31, 2021
(i) Principal amount remaining unpaid to micro, small and medium enterprises as at the end of the accounting year	795.75	884.84
(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),	-	-
(iii) Principal payment made to the supplier beyond the appointed day during each accounting year	251.51	150.33
(iv) 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;	-	-
(v) the amount of interest accrued and remaining unpaid at the end of each accounting year; and	19.22	25.75
(vi) 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.	62.41	43.19

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company

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	Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)
Fellow Subsidiary	Volkart Fleming Shipping & Services Limited
Fellow Subsidiary	Forvol International Services Limited
Fellow Subsidiary	Shapoorji Pallonji Finance Private Limited
Key Management Personnel	Mr. Vinayak Prasad, Managing Director (up to January 31,2021) Mr.Rohit Jayakar, Managing Director (w.e.f. March 16, 2021)
Director	Mr. Subramania Iyer Kuppuswamy, Non-Executive Director
Director	Mr. Eddie Poonawala
Director	Ms. Prachi Dave
Director	Mr. Vinod Bhandawat (w.e.f. October 14, 2019)
Director	Mr. Jai Mavani, Non-Executive Director

(b) Details of related party transactions during the year ended March 31, 2022

Name of Related Party	Nature of Transactions	As at March 31, 2022	As at March 31, 2021
Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)	Services rendered		-
	Interest paid / provided	710.13	707.60
	Strategic Support Services	5.66	7.08
	Loan taken	-	200.00
	Interest on Liability Component of Compound Financial Instruments	43.51	38.85
Forbes & Company Limited	Service charges	6.00	25.20
	Services received- Rent	6.00	54.00
	Interest paid / provided	188.31	110.84
	Deposits taken	4,748.23	3,197.50
	Repayment of ICD	15.00	125.00
	Reimbursement of expenses	0.77	0.59
	ICD received and converted to Equity Share	4,800.00	-
	Financial Guarantee Commission	21.11	47.44
	Sale of Asset	0.38	-
	Royalty charges	0.00	-
Eureka Forbes Limited	Service charges	0.02	0.04
Forbes Campbell Finance Ltd	Interest paid / provided	1.33	3.22
	ICD converted to Equity Share	-	1,000.00
	Deposits taken	45.00	-
Shapoorji Pallonji Dev Managers Pvt.Ltd (formerly Lucrative Properties Pvt.Ltd.)	Interest paid / provided	30.00	29.59
Forvol International Services Limited	Service charges	-	0.85
Volkart Fleming Shipping and Services Limited	Interest paid / provided	16.83	9.61
	Deposits taken	-	153.00
Shapoorji Pallonji Finance Private Limited	Interest paid / provided (on delayed payment of bills discounted by the vendors of the company)	-	4.38

Mr. Vinayak Prasad, Managing Director (Appointed w.e.f. December 01, 2018 up to January 31, 2021)	Remuneration paid / payable	-	131.30
	Reimbursement of expenses	-	0.71
Mr. Rohit Jayakar, Managing director (Appointed w.e.f March 16, 2021)	Remuneration paid / payable	14.21	0.61
	Reimbursement of expenses	-	-
Mr. Eddie Poonawala	Sitting Fees paid	1.60	2.60
Ms. Prachi Dave	Sitting Fees paid	0.60	2.20

(c) Details of related party balances outstanding as at March 31, 2022

Name of Related Party	Nature of Balances	As at March 31, 2022	As at March 31, 2021
Shapoorji Pallonji & Company Pvt Ltd (erstwhile Shapoorji Pallonji & Company Ltd)	Trade payables	111.52	108.23
	Deposits payable	6,175.00	6,175.00
	Trade receivables	0.30	0.30
	Preference Shares Classified as Compound	1,000.00	1,000.00
	Interest Accrued on Debt Component of	283.51	240.00
	Interest accrued	1,706.63	1,067.52
Forbes & Company Limited	Trade payables	341.76	328.57
	Deposits payable	3,265.73	3,332.50
	Corporate Guarantee given to Banks for	3,587.68	8,488.72
	Preference Shares Classified as Equity	6,000.00	6,000.00
	Interest accrued	296.26	126.78
Eureka Forbes Limited	Trade payables	-	1.52
Forbes Campbell Finance Ltd	Interest accrued	17.84	6.36
	Deposit payable	450.00	-
	Corporate Guarantee given to Banks for	150.00	150.00
Shapoorji Pallonji Dev Managers Pvt.Ltd	Interest accrued	145.17	118.17
	Loan payable	200.00	200.00
Forvol International Services Limited	Trade payables	-	0.63
Volkart Fleming Shipping & Services Limited	Preference Shares Classified as Equity	200.00	200.00
	Deposits payable	153.00	153.00
	Interest accrued	24.04	8.89
Mr. Ajay P. Singh, Executive Director	Remuneration and Reimbursement of	26.28	26.28
Mr. Vinayak Prasad, Managing Director	Remuneration and Reimbursement of	-	28.69
Mr.Rohit Jayakar, Managing Director	Remuneration and Reimbursement of	0.10	0.40

**30. Operating lease arrangements**

**30.1 The Company as a lessee**

**30.1.1 Leasing arrangements**

The company has taken certain buildings, premises and machinery under cancellable and non-cancellable operating leases. In respect of non-cancellable lease, the agreements contain a lock-in period of 3-5 years. In such lease agreements, there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the Company do not contain any variable lease payment or any residual value guarantees. The Company has not entered into any sublease agreement.

During the previous year the Company had adopted Ind AS 116. Accordingly, the Company has recognised a Right of Use asset in respect of each identified asset under leases agreements (other than short term lease of 12 months or less and lease of low value assets) and corresponding lease liability being the present value of lease payments during the lease term.

Refer note no. 3 for details of Right of use assets and Refer note 2.12 for accounting policy.

**30.1.2 Income/Expense recognised in statement of profit and loss**

**(Rs. In lakhs)**

Particulars	As on March 31, 2022	As on March 31, 2021
Lease payments accounted as rent expense	3.81	24.53
Amortisation of Right of use assets (net of capitalisation)	10.85	78.32
Unwinding discount on lease liabilities	1.15	14.69
Gain on lease modification/termination	(10.39)	-
<b>Total</b>	<b>5.42</b>	<b>117.54</b>

**30.1.3 Maturity analysis lease liabilities**

Particulars	As on March 31, 2022	As on March 31, 2021
Due in next 1 year	1.18	73.46
Due in next 1-2 years	-	21.91
Due in next 2-3 years	-	-
<b>Total</b>	<b>1.18</b>	<b>95.37</b>

**30.1.4** Total cash outflows in respect of lease payments (including short term and low value leases) during the year were Rs. 2.25 lakhs (2020-21: Rs.24.53 lakhs)

**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.

Particulars	As on March 31, 2022	As on March 31, 2021
Lease income recognised in the Statement of Profit and Loss	18.00	34.34
<b>Total</b>	<b>18.00</b>	<b>34.34</b>

**31. Contingent liabilities and Commitments:**

Particulars	As on March 31, 2022	As on March 31, 2021
<b>Contingent Liabilities:</b>		
(a) Sales Tax demand	934.29	1,797.52
(b) Claims against Company not acknowledged as debts	217.16	-
<b>Commitments:</b>		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for;	-	-
(b) Other commitments	-	-

31.1 Contingent liabilities above represent estimates made mainly for probable claims arising out of litigation and disputes pending with tax authorities. The probability and timing of outflow with regard to these matters depend on the final outcome of litigations / disputes. Hence the Company is not able to reasonably ascertain the timing of the outflow.

31.2 In addition to above, the Company is also subject to legal proceedings and claims which arise in the ordinary course of business. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability, where applicable. The management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's operations or financial condition.

**32. Deferred tax balances**

The Company has restricted the recognition of deferred tax assets on account of unabsorbed depreciation and brought forward business loss and certain other assets to set off the deferred tax liabilities arising on account of temporary difference arising on Property, Plant and Equipment and intangible assets. The Company did not have any deferred tax liability as on March 31, 2022, accordingly, the Company has not recognised any deferred tax assets. Unabsorbed depreciation and brought forward business losses on which deferred tax assets has not been recognised (in the absence of virtual certainty of taxable income) were Rs. 20,697.72 Lakhs as on March 31, 2022 (Previous year: Rs.13,291.33lakhs).

33. Preference Share Capital

Particulars	(Rs. In lakhs)			
	As on March 31, 2022		As on March 31, 2021	
	No. of shares	Rupees	No. of shares	Rupees
<b>a) Authorised share capital</b> Preference Shares of Rs. 10 each.	72,000,000	7,200.00	72,000,000	7,200.00
<b>b) Issued, subscribed and fully paid:</b> 10% Non Cumulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each	62,000,000	6,200.00	62,000,000	6,200.00
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
<b>Total</b>	<b>72,000,000</b>	<b>7,200.00</b>	<b>72,000,000</b>	<b>7,200.00</b>

i) Reconciliation of the number of Preference shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	(Rs. In lakhs)	
	No. of shares	Amount
<b>0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares of Rs. 10 each</b>		
<b>Balance as at April 01, 2020</b>	10,000,000	1,000.00
Fresh issue	-	-
<b>Balance as at March 31, 2021</b>	<b>10,000,000</b>	<b>1,000.00</b>
Fresh issue	-	-
<b>Balance as at March 31, 2022</b>	<b>10,000,000</b>	<b>1,000.00</b>
<b>10% Non Cumulative, Optionally Redeemable Compulsory Convertible Preference Shares of Rs. 10 each</b>		
<b>Balance as at March 31, 2020</b>	62,000,000	6,200.00
Add : Reclassified during the year	-	-
Fresh issue	-	-
<b>Balance as at March 31, 2021</b>	<b>62,000,000</b>	<b>6,200.00</b>
Add : Reclassified during the year	-	-
Fresh issue	-	-
<b>Balance as at March 31, 2022</b>	<b>62,000,000</b>	<b>6,200.00</b>



**33. Preference Share Capital (Contd...)**

**(i) Rights attached to 10% Non Cumulative, 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
<b>As at March 31, 2021</b>		
<b>0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares</b> Shapoorji Pallonji & Company Pvt Ltd	10,000,000	100.00%
<b>10% Non Cumulative, Optionally Redeemable Compulsory Convertible Preference Shares.</b> Forbes & Company Limited, the Holding company	60,000,000	96.77%
<b>As at March 31, 2022</b>		
<b>0.1 % Cumulative Non Convertible Redeemable Participating Preference Shares</b> Shapoorji Pallonji & Company Pvt Ltd	10,000,000	100.00%
<b>10% Non Cumulative, Optionally Redeemable Compulsory Convertible Preference Shares.</b> Forbes & Company Limited, the Holding company	60,000,000	96.77%

**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 on March 31, 2022	As on March 31, 2021
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 and Liability:**

**(Rs. In lakhs)**

Particulars	As on March 31, 2022	As on March 31, 2021
Proceeds from issue	1,000.00	1,000.00
Liability component at the date of issue	105.58	105.58
<b>Equity Component</b>	<b>894.42</b>	<b>894.42</b>
<b>Liability component including interest accrued thereon (included in "Non-current borrowings" (note 12))</b>	<b>406.12</b>	<b>362.61</b>

**FORBES TECHNOSYS LIMITED**  
**Notes forming part of the financial statements**

**34. Management note on material uncertainty related to going concern:**

The Company has incurred a net loss of Rs. 4,222.56 lakhs during the year ended March 31, 2022. The Company's current liabilities exceeded its current assets by Rs. 15,064.50 lakhs as at March 31, 2022. The Company has accumulated losses of Rs. 31,727.78 lakhs and its net worth is negative as at March 31, 2022. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

The Management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position for the year ended March 31, 2022, and has concluded that the impact was primarily on the operational aspects of the business during the initial months of the year ended March 31, 2022. The Company has used the principles of prudence in applying judgments, estimates and assumptions based on current assessments in preparation of the financial results.

The company has exited loss making business verticals and is now focusing on serving customer orders based on regular supply of raw materials and logistics services. The company has assessed recoverability of its assets such as trade receivables, inventory, other current assets and loans and advances and believes that it will recover the carrying amount of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

During the year, the shareholders, i.e. Forbes & Company Limited ("the Parent Company") and Forbes Campbell Finance Limited, have provided additional Inter Corporate Deposits ("ICDs") aggregating to Rs. 5,183.23 lakhs (net of repayments) to support the repayment of maturities of long term debts.

Further, based on the requests from the Parent Company, exercising their rights for conversion, outstanding ICDs of Rs. 3,000 lakhs and Rs. 1,800 Lakhs have been converted into equity shares of the Company during the months of June 2021 and July 2021, respectively, aggregating to 4,80,00,000 equity shares of Rs. 10 each of the Company. Post conversion, the shareholding of the Parent, stands at 7,30,00,000 equity shares fully paid up of Rs. 10 each representing 76.93% of the total equity share capital of the Company.

The Board of Directors of the Company has also approved a scheme of arrangement during the year to improve the position of the Company. (Refer Note 6 for further details).

The Company is confident of repayment of all liabilities, as and when due, from business operations and/ or financial support from the Parent Company and accordingly, the financial results of the Company have been prepared on a going concern basis.

**35. Proposed scheme of arrangement**

The Board of Directors of the Company, in its meeting held on December 27, 2021, after considering the rationale and pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification and re-enactment thereof for the time being in force) read with the Companies (Compromises, Arrangements and Amalgamations) Rules 2016, enabling provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approval of the shareholders of the Company and the sanction of the jurisdictional National Company Law Tribunal and such other competent authority as may be applicable, approved the Composite Scheme of Arrangement between Forbes Campbell Service Limited ("FCSL") and the Company and their respective shareholders ('the Scheme'). The Scheme was, subsequently, approved by the shareholders of the Company. The Scheme inter-alia proposes for amalgamation of FCSL into the Company and reduction of share capital of the Company before the said amalgamation.

Subject to the requisite approvals, through the above mentioned Scheme, the Company has proposed to proportionately reduce capital by cancelling –

- 9,39,48,228 equity shares of Rs. 10 each out of the existing 9,48,97,200 equity shares of Rs. 10 each fully paid up for a consideration of Rs. 0.001 for each equity share so cancelled.
- 6,13,80,000 "10% Optionally Convertible Redeemable Preference Shares" (OCRPS) of Rs. 10 each out of the existing 6,20,00,000 OCRPS of Rs. 10 each fully paid up for a consideration of Rs. 0.001 for each OCRPS so cancelled.
- 99,00,000 "0.10% Non-Convertible Redeemable Preference shares" (NCRPS) of Rs. 10 each out of the existing 1,00,00,000 NCRPS of Rs. 10 each fully paid up for a consideration of Rs. 0.001 for each NCRPS so cancelled.

The Scheme proposes that a consideration of 2,60,000 "6% Non-cumulative Non-Convertible Redeemable Preference Shares" (NCRPS) of Re. 10 each of the Company shall be issued and allotted to the Equity Shareholders of the FCSL in proportion to their holding in FCSL as on the Record Date for Amalgamation.

Pending the order of NCLT for approval of the Scheme, the financial statements of the Company has been prepared without giving effect to the proposed Scheme.

**36.** The Company has appointed Mr. Rohit Jayakar as the managing director of the Company with effect from March 16, 2021. The appointment and remuneration of the new managing director was approved by share holders in the general meeting of the company held on September 15, 2021.

**37. Discontinued operations**

During the previous year the Company had discontinued certain operations relating to online utility recharges and money transfer service forming part of the Forbes Express segment of the Company. Accordingly, the Company has presented the profit/(loss) in respect of these discontinued operations separately in the statement of profit and loss as a single amount and also re-presented the disclosures for previous year that relate to the discontinued operations.

The summary of results of the aforesaid discontinued operations, as included under the statement of profit and loss, is as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	-	872.87
<b>Total Income</b>	-	<b>872.87</b>
<b>Expenses:</b>		
Purchases of stock-in-trade (traded goods)	-	675.79
Employee benefits expense	-	56.07
Depreciation and amortisation expense	-	17.16
Other expenses	-	195.50
<b>Total expenses</b>	-	<b>944.52</b>
<b>Profit / (Loss) before tax and Exceptional items from discontinued operations</b>	-	<b>(71.65)</b>

Exceptional Items (Impairment Expense refer note no.4)	-	(789.25)
<b>Profit / (Loss) before tax from discontinued operations</b>	-	<b>(860.90)</b>
Tax Expense	-	-
<b>Profit / (Loss) after tax from discontinued operations</b>	-	<b>(860.90)</b>
<b>Net Cash flows from discontinued operations</b>		
Operating Activities	-	(11.16)
Investing Activities	-	-
Financing Activities	-	-

### 38. Investment and utilisation of funds

No funds have been advanced or loaned or invested by the Company to/in any intermediary with the understanding that the intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. Further, no funds have been received from any person or entity ('Funding parties') with the understanding that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Funding Party.

### 39. Financials ratios

Sr No	Ratio	Numerator	Denominator	Current Period	Previous Period	Reason for significant variance
1	Current Ratio (times)	Current Assets	Current Liabilities	0.15	0.31	Due to significant decrease in inventories and debtors
2	Debt Equity Ratio (times)	Debt and lease liabilities	Shareholders equity	(1.10)	(1.30)	-
3	Debt Service Coverage Ratio (times)	Earing Before Interest Tax and Depreciation + Non cash adjustment	(Short Term borrowing + Long Term Borrowing + Interest Payable)	(0.11)	(0.46)	Due to decrease in loss
4	Return on Equity Ratio (%)	Net Income	Average Shareholders equity	29.34	153.95	Due to reduction average equity
5	Inventory Turnover Ratio (times)	Cost of goods Sold	Average inventory (Opening inventory + Closing Inventory)/2	0.63	0.55	-
6	Trade receivables turnover ratio (times)	Net Credit Sales	Average accounts receivables (Opening receivables + Closing Receivables)/2	0.37	0.69	Due to significant reduction in sales as compared to reduction in debtors
7	Trade payables turnover ratio (times)	Net Credit Purchase	Average accounts payables (Opening payables + Closing payables)/2	0.05	0.31	Due to reduction in inventories
8	Net Capital Turnover Ratio (times)	Net Annual Sales	Net Working capital (Current asset - current liabilities)	(0.07)	(0.20)	Due to significant reduction in sales
9	Net Profit Ratio (%)	Net Profit	Net Sales	(396.05)	(465.85)	-
10	Return on capital employed (%)	Earing Before Interest and Tax	capital employed	(536.69)	(387.10)	Due to significant reduction in capital employed

### 40. Relationships with struck off companies

The Company did not have any transaction with companies struck off under section 248 of the companies Act 2013 during the current and previous financial year.

### 41. Approval of Financial Statements

Financial statements were approved on May 16, 2022 by the board of directors.

### 42. Previous year figures

Previous year's figures have been regrouped wherever necessary to correspond with the current year's groupings.

#### For and on behalf of the Board of Directors

Mr. Rohit Jayakar \_\_\_\_\_  
Managing Director

Mr. Jai Mavani \_\_\_\_\_  
Director

Mr. Kuppaswamy Subramania \_\_\_\_\_  
Director

Mr. Eddie Poonawala \_\_\_\_\_  
Director

Ms. Prachi N. Dave \_\_\_\_\_  
Director

Mr. Vinod Bhandawat \_\_\_\_\_  
Director

Mr. Sandeep Kadakia \_\_\_\_\_  
Chief Financial Officer

Ms. Rupa Khanna \_\_\_\_\_  
Company Secretary

Place : Mumbai  
Date : May 16, 2022

**LUX DEL PARAGUAY SA**  
**(a subsidiary company of Lux International AG)**

**Financial Statements**  
**For the Year ended December 31, 2021**

**Independent COMPONENT Auditor's Report  
on Special Purpose Financial Information Prepared for Consolidation Purposes**

**To Grant Thornton AG, Zurich**

As requested in your Group Audit Instructions dated October 2021, we were engaged to audit the accompanying special purpose financial information of Lux del Paraguay SA as of 31 December 2021, which comprise the financial reporting package of Lux del Paraguay SA for the year then ended. This special purpose financial information has been prepared solely to enable Lux International AG to prepare its consolidated financial statements.

We do not express an opinion on the accompanying financial information of Lux del Paraguay SA because of the significance of the matters described below in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on this special purpose financial information.

**Basis for Disclaimer of Opinion**

During the year 2021 the company changed its Enterprise Resource Planning, including its accounting module, but the migration process has produced significant errors and/or limitations in the accounting records not resolved as of to date. As a result of those issues, we have not been able to either obtain sufficient appropriate audit evidence or determine the necessary adjustments, to provide a basis for an audit opinion on that financial reporting package of the Company.

**Management's responsibility for the special purpose financial information**

Management is responsible for the preparation and presentation of this special purpose financial information in accordance with the instructions issued by Lux International AG's management and the requirements contained in the Lux Group Accounting Policy dated January 2019 and for such internal control as management determines is necessary to enable the preparation of the special purpose financial information that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the Company's financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Paraguay, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **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 SA in accordance with Lux Group Accounting Policy (dated January 2019) and is not intended to present fairly, in all material respects, the financial position of Lux del Paraguay SA as of 31 December 2021, and of its financial performance, and its cash flows for the year then ended in accordance with Lux Group Accounting Policy (dated January 2019). The special purpose financial information may, therefore, not be suitable for another purpose.

This report is intended solely for **Grant Thornton AG (Zurich)** and should not be used by or distributed to other parties.

Asunción, Paraguay  
July 27, 2022

**Grant Thornton S.A.**  
RUC 80101369-0  
Reg. SET N° 319/2021



**Ariel Reyes**  
RUC 2.540.295-1  
Mat. CCP N° 782

**Lux del Paraguay S.A**  
**Standalone Balance sheet**

	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
<b>ASSETS</b>				
Cash and cash equivalents	139	117.25	137	123.28
Restricted cash and cash equivalents	21	17.71	24	21.60
Trade receivables	1,007	849.45	1,671	1,503.71
Other receivables	546	460.58	88	79.19
Inventories	519	437.80	717	645.22
Prepayments and accrued income	129	108.82	268	241.17
<b>Current assets</b>	<b>2,361</b>	<b>1,991.62</b>	<b>2,905</b>	<b>2,614.16</b>
Investment	-	-	-	-
Property, plant and equipment	90	75.92	111	99.89
Intangible assets	101	85.20	48	43.19
Deferred tax assets	-	-	-	-
Trade receivables	251	211.73	-	-
Other non-current assets	18	15.18	66	59.39
<b>Non-current assets</b>	<b>460</b>	<b>388.03</b>	<b>225</b>	<b>202.47</b>
<b>TOTAL ASSETS</b>	<b>2,821</b>	<b>2,379.65</b>	<b>3,130</b>	<b>2,816.64</b>
	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
<b>LIABILITIES &amp; EQUITY</b>				
Bank overdrafts	-	-	-	-
Interest bearing bank debts	7	5.90	45	40.49
Trade liabilities	184	155.21	170	152.98
Liabilities from A/R refinancing	-	-	-	-
Short-term provisions	-	-	-	-
Accrued expenses	-	-	1	0.90
Other current liabilities	990	835.11	1,133	1,019.57
<b>Current liabilities</b>	<b>1,181</b>	<b>996.23</b>	<b>1,349</b>	<b>1,213.94</b>
Interest bearing bank debts	11	9.28	17	15.30
Long term payables from shareholder and related parties	1,568	1,322.68	1,445	1,300.33
Pension provisions	-	-	-	-
Long term provisions	179	151.00	141	126.88
Deferred tax liabilities	-	-	-	-
Other non-current liabilities	-	-	5	4.50
<b>Non-current liabilities</b>	<b>1,758</b>	<b>1,482.96</b>	<b>1,608</b>	<b>1,447.01</b>
<b>Total liabilities</b>	<b>2,939</b>	<b>2,479.19</b>	<b>2,957</b>	<b>2,660.96</b>
Share capital	1,652	1,370.75	1,503	1,370.75
Capital reserves	84	123.02	77	123.02
Retained earnings	(1,854)	(1,532.82)	(1,407)	(1,274.03)
Translation reserve	-	(60.49)	-	(64.06)
Total equity attributable to shareholders of the parent company	(118)	(99.54)	173	155.68
Minority interests	-	-	-	-
<b>Total equity</b>	<b>(118)</b>	<b>(99.54)</b>	<b>173</b>	<b>155.68</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,821</b>	<b>2,379.65</b>	<b>3,130</b>	<b>2,816.64</b>



**Lux del Paraguay S.A**  
**Standalone Income Statement**

for the year ended 31 December  
in TEUR

	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
Net sales	1,711.00	1,495.90	2,388.00	1,953.26
Sales commission	-	-	-	-
<b>Total revenues</b>	<b>1,711.00</b>	<b>1,495.90</b>	<b>2,388.00</b>	<b>1,953.26</b>
Cost of goods sold	(736.00)	(643.47)	(850.00)	(695.26)
<b>Gross profit</b>	<b>975.00</b>	<b>852.43</b>	<b>1,538.00</b>	<b>1,258.01</b>
Selling and marketing costs	(764.00)	(667.95)	(1,180.00)	(965.18)
Administrative expenses	(917.00)	(801.72)	(1,121.00)	(916.92)
Other operating income	-	-	-	-
Other operating expenses	-	-	-	-
<b>Operating result</b>	<b>(706.00)</b>	<b>(617.25)</b>	<b>(763.00)</b>	<b>(624.09)</b>
Exchange difference	158.00	138.14	(179.00)	(146.41)
Financial income	270.00	236.06	417.00	341.08
<b>Ordinary result</b>	<b>(278.00)</b>	<b>(243.05)</b>	<b>(525.00)</b>	<b>(429.42)</b>
Result from joint ventures	-	-	-	-
Non-operating income/expenses	2.00	1.75	92.00	75.25
<b>Profit / (loss) before income tax</b>	<b>(276.00)</b>	<b>(241.30)</b>	<b>(433.00)</b>	<b>(354.17)</b>
Income Tax	(20.00)	(17.49)	(35.00)	(28.63)
<b>Net result for the year</b>	<b>(296.00)</b>	<b>(258.79)</b>	<b>(468.00)</b>	<b>(382.80)</b>

**LUX HUNGARIA KERESKEDELMI. KFT**  
(a wholly owned Subsidiary Company of Lux International AG)

**Financial Statements**  
**For the Year ended December 31, 2021**



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## Independent Auditors' Report

To the member of Lux Hungária Kft.

### *Opinion*

We have audited the 2021 annual financial statements of Lux Hungária Kft. ("the Company"), which comprise the balance sheet as at 31 December 2021, with total assets of THUF 2,480,293 and profit after tax for the year of THUF 130,567, 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 2021, and of its financial performance for the year then ended in accordance with Act C of 2000 on Accounting in force in Hungary ("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 Rules, with the International Code of Ethics for Professional Accountants (including International Independence Standards) 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 2021 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 and expressing an opinion on this and whether the business report is consistent with the annual financial statements.

This is an English translation of the Independent Auditors' Report on the 2021 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.  
Lux Hungária Kft. - K12 - 2021.12.31.

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In our opinion the 2021 business report of the Company is consistent, in all material respects, with its 2021 annual financial statements and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the business report, 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 of annual financial statements that give a true and fair view 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.

This is an English translation of the Independent Auditors' Report on the 2021 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.

Lux Hungária Kft. - K12 - 2021.12.31.



- 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, 19 April 2022

KPMG Hungária Kft.

Registration number: 000202

Zoltán Varga

*Partner, Professional Accountant*

Registration number: 007320

This is an English translation of the Independent Auditors' Report on the 2021 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.

Lux Hungária Kft. - K12 - 2021.12.31.

**LUX HUNGARIA KERESKEDELMI KFT**  
**BALANCE SHEET AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2021**  
(all amounts in thousands of HUF)

**ASSETS**

	Note	31.dec.20		31.dec.21	
		THUF	INR in lakhs	THUF	INR in lakhs
<b><u>A. FIXED ASSETS AND INVESTMENTS</u></b>		<b>4,65,559</b>	<b>1,150.93</b>	<b>4,66,252</b>	<b>1,065.86</b>
I. Intangible assets	4	9,667	23.87	14,331	32.76
1. Capitalised costs of foundation and restructuring		-	-	-	-
2. Capitalised costs of research and development		-	-	-	-
3. Rights representing money		-	-	-	-
4. Intellectual property		9,667	23.87	14,331	32.76
5. Goodwill		-	-	-	-
6. Advances on intangible assets		-	-	-	-
7. Value adjustment of intangible assets		-	-	-	-
II. Tangible assets	5	3,80,892	942.86	3,76,921	861.65
1. Land and buildings		3,43,838	850.28	3,42,507	782.98
2. Technical equipment, machinery and vehicles		-	-	-	-
3. Other equipment and fittings		35,282	88.29	27,223	62.23
4. Breeders		-	-	-	-
5. Construction-in-progress		1,772	4.29	7,191	16.44
6. Advances on construction-in-progress		-	-	-	-
7. Value adjustment of tangible assets		-	-	-	-
III. Financial investments		75,000	184.20	75,000	171.45
1. Long-term participation in related companies		-	-	-	-
2. Long-term lendings to related companies	6	75,000	184.20	75,000	171.45
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><u>B. CURRENT ASSETS</u></b>		<b>18,56,328</b>	<b>4,556.37</b>	<b>19,57,993</b>	<b>4,476.00</b>
I. Inventories		3,81,429	936.79	3,82,064	873.40
1. Raw materials	7	2,746	6.74	2,359	5.39
2. Semi-finished goods and work in progress		-	-	-	-
3. Livestock		-	-	-	-
4. Finished products		-	-	-	-
5. Purchased goods	8	3,78,683	930.05	3,79,705	868.01
6. Advances on inventories		-	-	-	-
II. Receivables		14,64,402	3,593.80	15,51,726	3,547.27
1. Accounts receivable	9	12,98,741	3,189.71	13,32,587	3,046.31
2. Receivables from related companies	10	1,33,771	328.54	1,87,304	428.18
3. Receivables from other holding companies		-	-	-	-
4. Bills receivable		-	-	-	-
5. Other receivables	11	31,890	75.55	31,835	72.78
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	12	10,497	25.79	24,203	55.33
1. Cash and cheques		3,573	8.78	1,707	3.90
2. Bank deposits		6,924	17.01	22,496	51.43
<b><u>C. PREPAYMENTS</u></b>	13	<b>49,564</b>	<b>121.73</b>	<b>56,048</b>	<b>128.13</b>
1. Prepayments on revenues		38,761	95.20	50,980	116.54
2. Prepayments on costs and expenses		10,803	26.53	5,068	11.59
3. Deferred expenses		-	-	-	-
<b><u>TOTAL ASSETS</u></b>		<b>23,71,451</b>	<b>5,829.03</b>	<b>24,80,293</b>	<b>5,669.99</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
**BALANCE SHEET AS OF 31 DECEMBER 2020 AND 31 DECEMBER 2021**  
(all amounts in thousands of HUF)

**LIABILITIES AND SHAREHOLDERS' EQUITY**

	Note	31.dec.20		31.dec.21	
		THUF	INR in lakhs	THUF	INR in lakhs
<b><u>D. EQUITY</u></b>	14	<b>12,31,076</b>	<b>3,053.18</b>	<b>12,86,643</b>	<b>2,941.29</b>
I. Issued capital		30,000	85.96	30,000	85.96
of which:					
repurchased own shares at nominal value		-	-	-	-
II. Issued unpaid capital (-)		-	-	-	-
III. Share premium		1,23,496	353.87	1,23,496	353.87
IV. Retained earnings		11,20,043	3,218.47	10,02,580	2,900.87
V. Tied-up reserves		-	-	-	-
VI. Valuation reserve		-	-	-	-
VII. Net profit (loss)		(42,463)	(100.59) (504.52)	1,30,567	318.49 (717.90)
<b><u>E. PROVISIONS</u></b>	15	<b>17,383</b>	<b>42.69</b>	<b>20,173</b>	<b>46.12</b>
1. Provision for contingent liabilities		17,383	42.69	20,173	46.12
2. Provision for future liabilities		-	-	-	-
3. Other provisions		-	-	-	-
<b><u>F. LIABILITIES</u></b>		<b>9,98,750</b>	<b>2,438.83</b>	<b>10,51,100</b>	<b>2,402.83</b>
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		<b>4,121</b>	<b>10.12</b>	<b>1,780</b>	<b>4.07</b>
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		-	-	-	-
7. Long-term liabilities to other holding companies		-	-	-	-
8. Egyéb hosszú lejáratú kötelezettségek	16	4,121	10.12	1,780	4.07
III. Current liabilities		<b>9,94,629</b>	<b>2,428.71</b>	<b>10,49,320</b>	<b>2,398.76</b>
1. Short-term borrowings		-	-	-	-
out of this: convertible bonds		-	-	-	-
2. Short-term credits	17	8,17,467	2,007.70	8,23,000	1,881.39
3. Advances from customers		-	-	-	-
4. Accounts payable		10,938	26.86	15,758	36.02
5. Bills payable		-	-	-	-
6. Short-term liabilities to related companies	18	4,165	10.23	6,786	15.51
7. Short-term liabilities to other holding companies		-	-	-	-
8. Other short-term liabilities	19	1,62,059	383.92	2,03,776	465.84
<b><u>G. ACCRUALS</u></b>	20	<b>1,24,242</b>	<b>294.33</b>	<b>1,22,377</b>	<b>279.76</b>
1. Accrued income		-	-	-	-
2. Accrued expenses		1,24,242	294.33	1,22,377	279.76
3. Deferred income		-	-	-	-
<b><u>TOTAL EQUITY AND LIABILITIES</u></b>		<b>23,71,451</b>	<b>5,829.03</b>	<b>24,80,293</b>	<b>5,669.99</b>

Budapest, 19 April 2021

**LUX HUNGARIA KERESKEDELMI KFT**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**  
(all amounts in thousands of HUF)

	Note	2020		2021	
		THUF	INR in lakhs	THUF	INR in lakhs
1. Domestic sales	21	41,77,730	9,897.04	50,49,405	12,316.79
2. Export sales	22	1,95,881	464.04	2,03,813	497.15
I. Total sales		43,73,611	10,361.08	52,53,218	12,813.94
3.Changes in self-manufactured inventories		-	-	-	-
4.Capitalised value of self-manufactured assets		-	-	-	-
II. Capitalised value of own production		-	-	-	-
III. Other income	24	67,212	159.23	73,902	180.27
out of this: value loss recovered		11,545	27.35	29,114	71.02
5.Costs of raw material		1,09,877	260.30	1,28,268	312.88
6. Value of material-type services used	25	17,06,436	4,042.55	19,57,939	4,775.91
7. Value of other service	26	55,940	132.52	66,462	162.12
8.Costs of goods sold		15,01,667	3,557.45	16,54,394	4,035.49
9.Value of services sold (intermediated)		-	-	-	-
IV. Material-type expenditures		33,73,920	7,992.82	38,07,063	9,286.40
10.Wages and salaries		6,74,430	1,597.72	7,90,196	1,927.49
11.Other payroll related costs		99,793	236.41	97,301	237.34
12.Social security contribution		1,31,214	310.84	1,34,855	328.95
V. Payroll and related expenditures	28	9,05,437	2,144.97	10,22,352	2,493.78
VI. Depreciation		24,022	56.91	20,104	49.04
VII. Other expenses	29	1,56,574	370.92	3,31,178	807.83
out of this: value loss		8,050	19.07	19,864	48.45
A. OPERATING RESULT		<b>(19,130)</b>	<b>(45.32)</b>	<b>1,46,423</b>	<b>357.16</b>
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)		5,038	11.94	4,899	11.95
out of this: from related companies		-	-	-	-
17.Other revenues of financial transactions		6,700	15.87	15,845	38.65
out of this: revaluation difference		-	-	-	-
VIII. Revenues from financial activities		11,738	27.81	20,744	50.60
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		19,513	46.23	22,052	53.79
out of this: given to related companies		-	-	-	-
21. Value loss of business shares, securities and bank deposits		-	-	-	-
22.Other expenses of financial transactions		15,558	36.86	8,600	20.98
out of this: revaluation difference		-	-	-	-
IX. Total expenses of financial transactions		35,071	83.08	30,652	74.77
B. INCOME (LOSS) ON FINANCIAL ACTIVITIES		<b>(23,333)</b>	<b>(55.28)</b>	<b>(9,908)</b>	<b>(24.17)</b>
C. PROFIT BEFORE TAX		<b>(42,463)</b>	<b>(100.59)</b>	<b>1,36,515</b>	<b>332.99</b>
XII. Tax liability	30	-	-	5,948	14.51
D. PROFIT AFTER TAX		<b>(42,463)</b>	<b>(100.59)</b>	<b>1,30,567</b>	<b>318.49</b>

Budapest, 19 April 2021



**LUX HUNGÁRIA KFT.**

**SUPPLEMENTARY NOTES**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

**1 INTRODUCTION OF THE COMPANY**

Lux Hungária Kft. (hereinafter referred to as the “Company”) based at 1145 Budapest, Jávör u. 5/A, is engaged in the following:

<b>Activity</b>	<b>TEÁOR (activity code)</b>
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
Retail sale via mail order houses or via Internet	4791’08
Warehousing, storage	5210’08
Other activities auxiliary to financial services	6619’08
Leasing and operation of own or leased properties	6820’08
Accounting, audit and tax advisory	6920’08
Renting and leasing of passenger cars	7711’08
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
Complex administrative services	8211’08
Activities auxiliary to business services n.e.c.	8299’08
Repair of household appliances and home and garden equipment	9522’08

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.

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

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 (Blickensdorferstrasse 21B, CH-6340 Baar, Switzerland). 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 Súlysáp, 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 2021:

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.

## **2. 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 2020 and 31 December 2021, as well as the income statement for the years ended 31 December 2020 and 31 December 2021 were prepared in accordance with the Act.

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

2.2. Balance sheet preparation date

The date for preparing the balance sheet is 31 January 2021 for the 2020 annual financial statements and 31 January 2022 for the 2021 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.

Residual value is 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:

	<u>Years</u>
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, Jávör 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.

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

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.

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

**3 FINANCIAL POSITION AND LIQUIDITY**

The financial position and liquidity of the Company as of 31 December 2020 and 31 December 2021 are presented by the following financial indicators as well as the cash flow statement included in Appendix 1.

**Financial indicators:**

	<u>31.12.2020</u>	<u>31.12.2021</u>
Liquidity ratio = (current assets / current liabilities)* =	1.7	1.7
Acid test ratio = (current assets less inventories/ current liabilities)* =	1.4	1.4
Debtor days to sales revenue = (trade receivables net of VAT/ sales revenue x 365 days) =	85	73
Fixed asset ratio = (fixed assets / balance sheet total) x 100 =	19.60%	18.80%
Current asset ratio = (current assets / balance sheet total) x 100 =	78.30%	78.90%
Ratio of accrued expenses and deferred income = (accrued expenses and defferred income / balance sheet total) x 100 =	2.10%	2.30%
Capital adequacy = (equity / balance sheet total) x 100 =	51.90%	51.90%
Ratio of provisions = (provisions / balance sheet total) x 100 =	0.70%	0.80%
Liabilities ratio = (liabilities / balance sheet total) x 100 =	42.10%	42.40%
Ratio of accrued expenses and deferred income = (accrued expenses and defferred income / balance sheet total) x 100=	5.20%	4.90%
Debt to equity ratio = (liabilities / equity) x 100 =	81.10%	81.70%
Return on sales = (operating profit or loss / net sales revenue) x 100 =	-43.70%	2.80%

\* With deferred and accrued expenses and income.

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (All figures are in THUF except if otherwise indicated)

**4 INTANGIBLE ASSETS**

Summary of changes in intangible assets for the years ended 31 December 2020 and 31 December 2021:

	<u>Rights and concessions</u>		<u>Intellectual property</u>		<u>Total</u>	
	THUF	INR Lakhs	THUF	INR Lakhs	THUF	INR Lakhs
<b><u>GROSS VALUE:</u></b>						
Opening balance						
At 1 January 2020	1,064	2.63	47,011	116.03	48,075	118.66
Additions	-		678	1.67	678	1.67
Disposals	-		-		-	-
Closing balance						
At 31 December 2020	1,064	2.63	47,689	117.70	48,753	120.33
Additions	-		8,247	18.85	8,247	18.85
Disposals	-		-		-	-
FCTR	-	(0.20)	-	(8.68)	-	(8.88)
Closing balance						
At 31 December 2021	1,064	2.43	55,936	127.87	57,000	130.30
<b><u>ACCUMULATED AMORTISATION:</u></b>						
Opening balance						
At 1 January 2020	1,064	2.63	35,219	86.95	36,283	89.58
Additions	-	-	2,803	6.88	2,803	6.88
Disposals	-	-	-		-	-
Closing balance						
At 31 December 2020	1,064	2.63	38,022	93.83	39,086	96.46
Additions	-	-	3,583	8.74	3,583	8.74
Disposals	-	-	-		-	-
FCTR	-	(0.20)	-	(7.46)	-	(7.66)
Closing balance						
At 31 December 2021	1,064	2.43	41,605	95.11	42,669	97.54
NET VALUE						
At 31 December 2020	-	-	9,667	23.87	9,667	23.87
NET VALUE						
At 31 December 2021	-	-	14,331	32.76	14,331	32.76

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (All figures are in THUF except if otherwise indicated)

**5. TANGIBLE ASSETS**

Summary of changes in tangible assets for the years ended 31 December 2020 and 31 December 2021:

Changes in gross value

Particular	<u>Land and buildings</u>		<u>Other equipment, fittings, vehicles</u>		<u>Technical equipment, machinery</u>		<u>Assets under construction</u>		<u>Tangible assets with purchase value below THUF 100</u>		<u>Total</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs
<b>GROSS VALUE:</b>												
Opening balance	3,44,396	851.69	2,81,562	696.57	-	-	2,227	5.41	71,454	176.21	6,99,639.00	1,729.88
At 1 January 2020												
Additions	-	-	-	-	-	-	11,297	27.75	-	-	11,297.00	27.75
Capitalisations	2,657	6.53	7,536	18.51	-	-	-	-	7,327	18.00	17,520.00	43.04
Sale and other decreases	-	-	(39,054)	(95.92)	-	-	-	-	-	-	(39,054.00)	(95.92)
Reclassifications	-	-	-	-	-	-	(11,752)	(28.86)	-	-	(11,752.00)	(28.86)
Closing balance	3,47,053	858.22	2,50,044	619.16	-	-	1,772	4.30	78,781	194.21	6,77,650.00	1,675.89
At 31 December 2020												
Additions	-	-	-	-	-	-	23,272	53.20	-	-	23,272.00	53.20
Capitalisations	360	0.82	9,245	21.13	-	-	-	-	5,630	12.87	15,235.00	34.83
Sale and other decreases	(2,882)	(6.59)	(19,362)	(44.26)	-	-	-	-	-	-	(22,244.00)	(50.85)
Reclassifications	-	-	-	-	-	-	(17,853)	(40.81)	-	-	(17,853.00)	(40.81)
FCTR	-	(64.85)	-	(47.56)	-	-	-	(0.25)	-	(14.12)	-	(126.77)
Closing balance	3,44,531	787.60	2,39,927	548.48	-	-	7,191	16.44	84,411	192.96	6,76,060.00	1,545.48
At 31 December 2021												

Changes in accumulated depreciation

Depreciation of low-value tangible assets is included in the table below from 2020. In 2020 and 2021 tangible assets with an individual purchase value below THUF 100 were written off in one amount. Depreciation of low-value tangible assets totalled

Tangible assets:

	<u>Land and buildings</u>		<u>Other equipment,</u>		<u>Technical equipment,</u>		<u>Assets under construction</u>		<u>Tangible assets with purchase</u>		<u>Total</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs
<b>ACCUMULATED DEPRECIATION:</b>												
Opening balance	2,969	7.33	2,27,918	563.19	-	-	-	-	71,454	176.21	3,02,341	746.73
At 1 January 2020												
Booked depreciation	246	0.60	13,646	33.51	-	-	-	-	7,327	18.00	21,219	52.11
Sale and other decreases	-	-	(26,802)	(65.83)	-	-	-	-	-	-	(26,802)	(65.83)
Closing balance	3,215	7.93	2,14,762	530.87	-	-	-	-	78,781	194.21	2,96,758	733.01
At 31 December 2020												
Booked depreciation	340	0.83	10,550.00	25.73	-	-	-	-	5,630	13.73	16,520	40.30
Sale and other decreases	(1,531)	(3.50)	(12,608)	(28.82)	-	-	-	-	-	-	(14,139)	(32.32)
FCTR	-	(0.63)	-	(41.54)	-	-	-	-	-	(14.98)	-	(57.15)
Closing balance	2,024	4.63	2,12,704	486.24	-	-	-	-	84,411	192.96	2,99,139	683.84
At 31 December 2021												
NET VALUE	3,43,838	850.28	35,282	88.29	-	-	1,772	4.29	-	-	3,80,892	942.86
At 31 December 2020												
NET VALUE	3,42,507	782.98	27,223	62.23	-	-	7,191	16.44	-	-	3,76,921	861.65
At 31 December 2021												



**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (All figures are in THUF except if otherwise indicated)

**6 NON-CURRENT LOANS TO RELATED COMPANIES**

Composition of non-current loans to related companies as at 31 December 2020:

	<u>Balance</u>		<u>Interest %</u>
	<u>THUF</u>	<u>INR in Lakhs</u>	
Lux International AG (parent company):	75,000	184.20	6
<b>Total</b>	<b>75,000</b>	<b>184.20</b>	

Composition of non-current loans to related companies as at 31 December 2021:

	<u>Balance</u>		<u>Interest %</u>
	<u>THUF</u>	<u>INR in Lakhs</u>	
Lux International AG (parent company):	75,000	171.45	6
<b>Total</b>	<b>75,000</b>	<b>171.45</b>	

**7 RAW MATERIALS AND CONSUMABLE GOODS**

Composition of raw materials and consumable goods as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>
Servicing materials	2,746	6.74	2,359	5.39
Other				
<b>Total</b>	<b>2,746</b>	<b>6.74</b>	<b>2,359</b>	<b>5.39</b>

**8 GOODS**

Composition of goods as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>
New goods	2,64,966	650.76	2,69,266	615.55
Goods for presentation purposes	60,233	147.93	52,645	120.35
Servicing goods	87,121	213.97	94,797	216.71
Impairment of inventories	(27,392)	(67.27)	(34,610)	(79.12)
Goods debts	(6,245)	(15.34)	(2,393)	(5.47)
<b>Total</b>	<b>3,78,683</b>	<b>930.05</b>	<b>3,79,705</b>	<b>868.01</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

Changes in impairment of inventories for the years ended 31 December 2020 and 31 December 2021:

	<b>31.12.2020</b>		<b>31.12.2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Opening balance	23,163	56.89	27,392	62.62
Booking of impairment (increase)	4,229	10.38	7,218	16.50
Reversal of impairment (decrease)	-	-	-	-
<b>Closing balance</b>	<b>27,392</b>	<b>67.27</b>	<b>34,610</b>	<b>79.12</b>

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.

## 9 TRADE RECEIVABLES

Composition of trade receivables as of 31 December 2020 and 31 December 2021:

	<b>31.12.2020</b>		<b>31.12.2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Trade Receivables	13,78,890	3,386.56	13,94,237	3,187.25
Impairment of trade receivables	(62,893)	(154.47)	(33,779)	(77.22)
Impairment of trade receivables due to r	(17,256)	(42.38)	(27,871)	(63.71)
<b>Total</b>	<b>12,98,741</b>	<b>3,189.71</b>	<b>13,32,587</b>	<b>3,046.31</b>

Changes in impairment of trade receivables for the years ended 31 December 2020 and 31 December 2021:

	<b>31.12.2020</b>		<b>31.12.2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Opening balance	54,843	134.70	62,893	143.77
Booking of impairment (increase)	8,050	19.77	-	-
Reversal of impairment (decrease)	-	-	(29,114)	(66.56)
<b>Closing balance</b>	<b>62,893</b>	<b>154.47</b>	<b>33,779</b>	<b>77.22</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

Changes in impairment of trade receivables due to returns expected in the next period for the years ended 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Opening balance	20,801	51.09	17,256	39.45
Booking of impairment (increase)	-		10,615	24.27
Reversal of impairment (decrease)	(3,545)	(8.71)	-	-
<b>Closing balance</b>	<b>17,256</b>	<b>42.38</b>	<b>27,871</b>	<b>63.71</b>

**10 RECEIVABLES FROM RELATED COMPANIES**

Composition of receivables from related companies as of 31 December 2020:

<u>Type of receivable</u>	<u>Balance</u>		<u>Interest %</u>
	<b>THUF</b>	<b>INR in Lakhs</b>	
Lux International AG (parent company):			
• Trade receivable	1,33,771	328.54	-
<b>Total</b>	<b>1,33,771</b>	<b>328.54</b>	-

Composition of receivables from related companies as of 31 December 2021:

<u>Type of receivable</u>	<u>Balance</u>		<u>Interest %</u>
	<b>THUF</b>	<b>INR in Lakhs</b>	
Lux International AG (parent company):			
• Trade receivable	1,76,756	404.07	
Lux Österreich GmbH:			
• Trade receivable	10,548	24.11	
<b>Total</b>	<b>1,87,304</b>	<b>428.18</b>	

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (All figures are in THUF except if otherwise indicated)

**11. OTHER RECEIVABLES**

Composition of other receivables as of 31 December 2020 and 31 December 2021:

	<b>31.12.2020</b>		<b>31.12.2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Receivables from agents due to missing items or other damage	20,584	48.76	19,374	44.29
Receivables from insurers	13,297	31.50	13,310	30.43
Deposits	14,989	35.51	16,833	38.48
Advances to suppliers	5,064	12.00	13,010	29.74
Loans granted	8,351	19.78	7,469	17.07
Building tax	786	1.86	-	-
Advances for settlement	203	0.48	723	1.65
Business tax	-	-	-	-
Wage advances	333	0.79	173	0.40
Innovation contribution	448	1.06	-	-
Corporation tax receivable	3,289	7.79	-	-
Other	6,765	16.03	5,192	11.87
Impairment of other receivables	(42,219)	(100.02)	(44,249)	(101.15)
<b>Total</b>	<b>31,890</b>	<b>75.55</b>	<b>31,835</b>	<b>72.78</b>

Composition of impairment of other receivables as of 31 December 2020 and 31 December 2021:

	<b>31.12.2020</b>		<b>31.12.2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Impairment for receivables from sales agents	17,421	41.27	18,635	42.60
Impairment for loans granted	3,110	7.37	2,916	6.67
Impairment for receivables from insurers	13,360	31.65	13,310	30.43
Impairment for deposits	3,277	7.76	4,348	9.94
Impairment for other items	5,051	11.97	5,040	11.52
<b>Total</b>	<b>42,219</b>	<b>100.02</b>	<b>44,249</b>	<b>101.15</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
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**12. CASH AND CASH EQUIVALENTS**

As of 31 December 2020 and 31 December 2021 the Company had only cash and bank deposits.

Petty cash, cheques were as follows as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Petty cash	3,573	8.78	1,707	3.90
<b>Total</b>	<b>3,573</b>	<b>8.78</b>	<b>1,707</b>	<b>3.90</b>

Bank deposits were as follows as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Bank accounts	6,924	17.01	22,496	51.43
<b>Total</b>	<b>6,924</b>	<b>17.01</b>	<b>22,496</b>	<b>51.43</b>

**13. DEFERRED EXPENSES AND ACCRUED INCOME**

Composition of accrued income as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Rebate	23,261	57.13	25,673	58.69
Commission income	15,175	37.27	25,007	57.17
Conference room rental	325	0.80	300	0.69
<b>Total</b>	<b>38,761</b>	<b>95.20</b>	<b>50,980</b>	<b>116.54</b>

Composition of prepayments as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Software subscription fee	6,591	16.18	3,265	7.46
Expert fees	3,265	8.02	189	0.43
Insurance premiums	908	2.23	1,393	3.18
Server warranty	-	-	156	0.36
Rentals	39	0.10	65	0.15
<b>Total</b>	<b>10,803</b>	<b>26.53</b>	<b>5,068</b>	<b>11.59</b>

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**14 EQUITY**

Registered capital as of 31 December 2020 and 31 December 2021:

<u>Owner</u>	<u>Total nominal value</u>				<u>Ownership share</u>	
	<u>31.12.2020</u>		<u>31.12.2021</u>		<u>31.12.2020</u>	<u>31/12/2021</u>
	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>		
Lux International AG	30,000	85.96	30,000	85.96	100%	100%

Changes in equity elements for the years ended 31 December 2020 and 31 December 2021:

	<u>Registered Capital</u>		<u>Capital reserve</u>		<u>Retained earnings</u>		<u>Profit/Loss after tax</u>		<u>Equity</u>	
	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>
Balance at 1 January 2020	30,000	85.96	1,23,496	353.87	10,09,146	2,953.87	1,10,898	264.60	12,73,540.00	3,658.30
Transfer of the profit for the year ended 31 December 2020 to retained earnings	-	-	-	-	1,10,898	264.60	(1,10,898)	(264.60)	-	-
Loss for the year ended 31 December 2020	-	-	-	-	-	-	(42,463)	(100.59)	(42,463)	(100.59)
Balance at 31 December 2020	30,000	85.96	1,23,496	353.87	11,20,044	3,218.47	(42,463)	(100.59)	12,31,077.00	3,557.71
Transfer of the loss for the year ended 31 December 2020 to retained earnings	-	-	-	-	(42,463)	(100.59)	42,463	100.59	-	-
Payment of dividend	-	-	-	-	(75,000)	(217.01)	-	-	(75,000)	(217.01)
Profit for the December 2021	-	-	-	-	-	-	1,30,567	318.49	1,30,567	318.49
Balance at 31 December 2021	30,000	85.96	1,23,496	353.87	10,02,581	2,900.87	1,30,567	318.49	12,86,644.00	3,659.19

THUF 75,000 dividend is expected to be paid to the owner of the Company. We propose to transfer the remaining profit after tax to retained earnings.

**LUX HUNGARIA KERESKEDELMI KFT**  
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**15. PROVISIONS**

Composition of provisions as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Opening balance of provisions for warranty liabilities:	16,546	40.64	17,383	39.74
Use of provisions for warranty liabilities:	(19,845)	(48.74)	(20,303)	(46.41)
Recognition of provisions for warranty liabilities:	20,682	50.79	23,093	52.79
<b>Total</b>	<b>17,383</b>	<b>42.69</b>	<b>20,173</b>	<b>46.12</b>

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.

**16. OTHER NON-CURRENT LIABILITIES**

Composition of other non-current liabilities as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31.12.2021</u>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Liabilities from finance lease	4,121	10.12	1,780	4.07
<b>Total</b>	<b>4,121</b>	<b>10.12</b>	<b>1,780</b>	<b>4.07</b>

**17. LOANS**

Liabilities to Budapest Bank Zrt. outstanding on 31 December 2020:

<u>Type of loan</u>	<u>Balance</u>		<u>Maturity</u>
	<b>THUF</b>	<b>INR in Lakhs</b>	
Drawn HUF overdraft facility	69,467	170.61	19/10/2021
Customer financing revolving loan	6,50,000	1,596.40	07/05/2021
Inventory financing revolving loan	98,000	240.69	20/10/2021

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Liabilities to Budapest Bank Zrt. outstanding on 31 December 2021:

<u>Type of loan</u>	<u>Balance</u>		<u>Maturity</u>
	<u>THUF</u>	<u>INR in Lakhs</u>	
Drawn HUF overdraft facility	-	-	18.10.2022
Customer financing revolving loan	7,25,000	1,657.36	06.05.2022
Inventory financing revolving loan	98,000	224.03	19.10.2022

In 2021 the loan agreements were modified to extend the two types of revolving loan for a further year each. The above table already shows the maturities of the modified loan agreements known on the balance sheet preparation date.

The Company revalued its receivables and liabilities denominated in foreign exchange on the reporting date.

**18. LIABILITIES TO RELATED COMPANIES**

Composition of liabilities to related companies as of 31 December 2020 and 31 December 2021:

	<u>31/12/2020</u>		<u>31.12.2021</u>	
	<u>THUF</u>	<u>INR in Lakhs</u>	<u>THUF</u>	<u>INR in Lakhs</u>
Trade liabilities:				
Lux International AG	4,165	10.23	6,786	15.51
<b>Total</b>	<b>4,165</b>	<b>10.23</b>	<b>6,786</b>	<b>15.51</b>



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**19. OTHER CURRENT LIABILITIES**

Composition of other current liabilities as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31/12/2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Wages	26,283	62.26	25,823	59.03
Liabilities to customers due to overpayment	44,067	104.39	47,431	108.43
Value added tax payable	49,973	118.39	41,520	94.92
Taxes and contributions payable (except for VAT social security contribution)	25,657	60.78	29,662	67.81
Fixed-rate tax of low tax-bracket enterprises	-	-	23,896	54.63
Social contribution tax	8,235	19.51	12,285	28.08
Corporation tax liability	-	-	544	1.24
Innovation contribution liability	-	-	3,569	8.16
Local business tax liability	2,743	6.50	13,942	31.87
Company car tax	589	1.40	444	1.01
Liabilities from finance lease	3,006	7.12	3,602	8.23
Retail special tax	-	-	838	1.92
Deposits received	220	0.52	220	0.50
Other	1,286	3.05	-	-
<b>Total</b>	<b>1,62,059</b>	<b>383.92</b>	<b>2,03,776</b>	<b>465.84</b>

**20. ACCRUED EXPENSES AND DEFERRED INCOME**

Composition of accrued expenses as of 31 December 2020 and 31 December 2021:

	<u>31.12.2020</u>		<u>31/12/2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Sales agent commissions	59,989	142.11	55,759	127.47
Interest	16,618	39.37	-	-
Service commissions	15,074	35.71	15,147	34.63
Other commissions	12,224	28.96	17,072	39.03
Expert fees	6,483	15.36	9,218	21.07
Bonus	5,148	12.20	16,577	37.90
Telephone costs	1,733	4.11	1,669	3.82
Postal costs	1,521	3.60	494	1.13
Transportation costs	1,376	3.26	2,978	6.81
Wage costs	1,299	3.08	-	-
Overheads	852	2.02	1,234	2.82
Fuel costs	664	1.57	929	2.12
Bank charges	650	1.54	-	-
Rentals	304	0.72	66	0.15
Other	307	0.72	1,234	2.82
<b>Total</b>	<b>1,24,242</b>	<b>294.33</b>	<b>1,22,377</b>	<b>279.76</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
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**21.NET DOMESTIC SALES REVENUE**

Composition of net domestic sales revenue in the years ended 31 December 2020 and 31 December 2021:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Sale of goods	41,33,785	9,792.93	49,64,900	12,110.66
Provision of services	43,945	104.11	84,505	206.13
<b>Total</b>	<b>41,77,730</b>	<b>9,897.04</b>	<b>50,49,405</b>	<b>12,316.79</b>

**22.NET EXPORT SALES REVENUE**

Composition of net export sales revenue in the years ended 31 December 2020 and 31 December 2021:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Sales in EU countries	9,192	21.78	28,056	68.44
Sales in non-EU countries	1,86,689	442.26	1,75,757	428.72
<b>Total</b>	<b>1,95,881</b>	<b>464.04</b>	<b>2,03,813</b>	<b>497.15</b>

Breakdown of sales in non-EU countries by region:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Sales in non-EU countries, in Europe	1,86,689	442.26	1,75,757	428.72
<b>Total</b>	<b>1,86,689</b>	<b>442.26</b>	<b>1,75,757</b>	<b>428.72</b>

Composition of export of services within net export sales revenue in the years ended 31 December 2020 and 31 December 2021:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Export of services to EU countries	170	0.40	18,417	44.92
Export of services to non-EU countries	1,86,448	441.70	1,73,445	423.08
<b>Total</b>	<b>1,86,618</b>	<b>442.10</b>	<b>1,91,862</b>	<b>468.00</b>

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Breakdown of sales in non-EU countries by region:

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Export of services to non-EU countries, in Europe	1,86,448	441.70	1,73,445	423.08
<b>Total</b>	<b>1,86,448</b>	<b>441.70</b>	<b>1,73,445</b>	<b>423.08</b>

**23.IMPORT PURCHASES**

Composition of import of products in the years ended 31 December 2020 and 31 December 2021:

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
From EU countries	16,43,873	3,894.34	16,47,076	4,017.64
From non-EU countries	167	0.40	1,141	2.78
<b>Total</b>	<b>16,44,040</b>	<b>3,894.74</b>	<b>16,48,217</b>	<b>4,020.42</b>

Composition of import of services in the years ended 31 December 2020 and 31 December 2021:

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
From non-EU countries	1,37,133	324.87	1,64,349	400.89
From EU countries	14,087	33.37	6,391	15.59
<b>Total</b>	<b>1,51,220</b>	<b>358.24</b>	<b>1,70,740</b>	<b>416.48</b>

**24.OTHER INCOME**

Composition of other income in the years ended 31 December 2020 and 31 December 2021:

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Reversal of impairment of trade receivables	-	-	29,114	71.02
Rebate	23,261	55.11	25,390	61.93
Accounting for expired liabilities	10,050	23.81	11,929	29.10
Income from tangible asset sales	17,493	41.44	5,700	13.90
Payments for credit loss	4,600	10.90	1,603	3.91
Damage compensation	155	0.37	166	0.40
Reversal of impairment for other receivables	8,000	18.95	-	-
Reversal of impairment of returns	3,545	8.40	-	-
Other	108	0.26	-	-
<b>Total</b>	<b>67,212</b>	<b>159.24</b>	<b>73,902</b>	<b>180.27</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
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**25.SERVICES USED**

Composition of services used in the years ended 31 December 2020 and 31 December 2021:

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Sale commission	12,64,967	2,996.71	14,57,717	3,555.74
Rentals	84,762	200.80	1,00,913	246.15
Postal costs	33,280	78.84	25,505	62.21
Maintenance costs	46,282	109.64	50,186	122.42
Expert fees	41,143	97.47	67,812	165.41
Telephone costs	19,513	46.23	15,181	37.03
Fairs, exhibitions	3,267	7.74	2,140	5.22
Advertising costs	4,589	10.87	3,398	8.29
Training costs	914	2.17	1,850	4.51
Travel costs	4,292	10.17	6,225	15.18
Advertising and promotion costs	21,694	51.39	15,625	38.11
Transportation costs	17,386	41.19	13,418	32.73
Name usage fee	1,34,353	318.28	1,61,578	394.13
Costs of accommodation	9,727	23.04	14,520	35.42
Software subscription fee	19,005	45.02	20,732	50.57
Other	1,262	2.99	1,139	2.78
<b>Total</b>	<b>17,06,436</b>	<b>4,042.55</b>	<b>19,57,939</b>	<b>4,775.91</b>

The rise in services used is primarily due to the increase in sale commissions and name usage fee resulting from the growth of net sales revenue.

The auditor charged EUR 21,450 for the audit of the 2021 annual financial statements. It did not perform any other assurance services, tax advisory services or other non-audit services.

**26.OTHER SERVICES**

Composition of other services in the years ended 31 December 2020 and 31 December 2021:

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Bank charges	41,085	97.33	55,000	134.16
Insurance premiums	6,766	16.03	6,766	16.50
Fees and stamp duties paid to authorities	6,643	15.74	2,221	5.42
Other	1,446	3.42	2,475	6.04
<b>Total</b>	<b>55,940</b>	<b>132.52</b>	<b>66,462</b>	<b>162.12</b>

**LUX HUNGARIA KERESKEDELM I KFT**  
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**27. 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 2020 and 31 December 2021:

	Management		Management		Total		Total	
	2020		2021		2020		2021	
	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs
Remuneration	45,724.00	108.32	61,408.00	149.79	45,724.00	108.32	61,408.00	149.79

No other payment was made to the Board of Directors and the Supervisory Board in 2020 and 2021.

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**28.EMPLOYEES**

Adjusted average headcount by staff category in the years ended 31 December 2020 and 31 December 2021:

	<u>2020</u>	<u>2021</u>
Sale	37	33
Manual workers	5	5
Other (administrative)	140	147
<b>Total</b>	<b><u>182</u></b>	<b><u>185</u></b>

Wage costs, other staff benefits and wage contributions by staff category in the years ended 31 December 2020 and 31 December 2021:

	Wage costs				Other staff benefits				Wage contributions				Total			
	2020		2021		2020		2021		2020		2021		2020		2021	
	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs	THUF	INR in Lakhs
Sale	1,17,082	277.37	1,26,747	309.17	69,908	165.61	68,048	165.99	20,054	47.51	19,943	48.65	2,07,044	490.49	2,14,738	523.80
Manual workers	14,919	35.34	21,094	51.45	1,344	3.18	345	0.84	2,617	6.20	3,740	9.12	18,880	44.72	25,179	61.42
Other (administrative)	5,42,429	1,285.01	6,42,355	1,566.87	28,541	67.61	28,908	70.51	1,08,543	257.14	1,11,172	271.18	6,79,513	1,609.76	7,82,435	1,908.56
<b>Total</b>	<b>6,74,430</b>	<b>1,597.72</b>	<b>7,90,196</b>	<b>1,927.49</b>	<b>99,793</b>	<b>236.40</b>	<b>97,301</b>	<b>237.34</b>	<b>1,31,214</b>	<b>310.85</b>	<b>1,34,855</b>	<b>328.95</b>	<b>9,05,437</b>	<b>2,144.97</b>	<b>10,22,352</b>	<b>2,493.78</b>

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**29. OTHER EXPENSES**

Composition of other expenses in the years ended 31 December 2020 and 31 December 2021:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Fixed-rate tax of low tax-bracket enterprises	-		1,71,175	417.54
Local business tax	54,673	129.52	68,677	167.52
Scrapped and missing purchased goods	36,256	85.89	21,214	51.75
Credit loss	16,891	40.01	11,808	28.80
Impairment of returns	-	-	10,615	25.89
Innovation contribution	8,286	19.63	10,419	25.41
Impairment of inventories	4,229	10.02	7,218	17.61
Net value of tangible assets sold	12,252	29.02	6,082	14.84
Product charge	5,081	12.04	5,014	12.23
Special industry tax	2,768	6.56	4,147	10.12
Provisioning for warranty obligations	838	1.99	2,790	6.81
Extraordinary depreciation	-		2,735	6.67
Impairment allowance for other receivables	-		2,030	4.95
Building tax	4,322	10.24	1,535	3.74
Company car tax	1,736	4.11	962	2.35
Fines, penalties	918	2.17	238	0.58
Vehicle tax	-		232	0.57
Other	274	0.65	4,287	10.46
Impairment of receivables	8,050	19.07	-	-
<b>Total</b>	<b>1,56,574</b>	<b>370.92</b>	<b>3,31,178</b>	<b>807.83</b>

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (All figures are in THUF except if otherwise indicated)

**30. 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 2020 and 31 December 2021 are as follows:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Profit/Loss before tax	(42,463)	(100.59)	1,36,515	332.99
<u>Timing differences:</u>				
Adjustment for loss carry forward	-		(66,092)	(161.22)
Adjustment due to provisions	-		-	
Total timing differences	-		(66,092)	(161.22)
<u>Permanent differences:</u>				
Extraordinary depreciation for Adjustment	-		(2,735)	(6.67)
receivables reversed bad debts, impairment of	(3,545)	(8.71)	(29,114)	(71.02)
Maintenance of listed building	(890)	(2.19)	-	-
Expenses booked due to provisions	838	2.06	2,790	6.81
Non-business related costs	9,671	23.75	11,809	28.81
Adjustment for impairment of receivables	50	0.12	12,646	30.85
Fines, penalties	204	0.50	274	0.67
Total permanent differences:	6,328	15.53	(1,595)	(3.89)
Tax base	(36,135)	(88.75)	66,093	161.22
Corporation tax	-		5,948	14.51
Profit/Loss after tax	(42,463)	(100.59)	1,30,567	318.49



**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
**(All figures are in THUF except if otherwise indicated)**

**31. OTHER OFF-BALANCE SHEET LIABILITIES**

The Company records as off-balance sheet liabilities the total portfolio of its credit facility existing as of the balance sheet preparation date based on the agreement concluded with Budapest Bank Zrt., as follows:

<u>Type of loan</u>	<u>Available credit facility</u>
	THUF
Current account overdraft	2,00,000
Revolving loan for inventory financing	1,50,000
Revolving loan for customer financing	7,50,000

Collateral for the liabilities to Budapest Bank Zrt. is as follows:

1. General mortgage on the property of the Company located at 1145 Budapest, Jávör u. 5/A. up to THUF 1,500,000;
2. General mortgage on all assets of the Company up to THUF 1,500,000;
3. Guarantee of Lux International AG up to THUF 890,000.

As of the balance sheet preparation date, in addition to the above the Company has no off-balance sheet liabilities that would significantly affect these financial statements.

**32. TRANSACTIONS WITH RELATED COMPANIES**

Transactions with related companies in the years ended 31 December 2020 and 31 December 2021 were as follows:

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
Net sales revenue				
- Lux International AG (parent company)	1,86,859	442.57	1,75,758	428.72
- Lux Welity Polska Sp. Z.o.o.	1,231	2.92	30	0.07
- Lux Österreich GmbH	-		19,788	48.27
Total	1,88,090	445.49	1,95,576	477.06

Of the above, sales revenue from services provided

	<u>2020</u>		<u>2021</u>	
	THUF	INR in Lakhs	THUF	INR in Lakhs
- Lux International AG (parent company)	1,86,618	442.10	1,73,445	423.08
- Lux Österreich GmbH	-		18,417	44.92
Total	1,86,618	442.10	1,91,862	468.00

**LUX HUNGARIA KERESKEDELMI KFT**  
**SUPPLEMENTARY NOTES FOR THE YEAR ENDED 31 DECEMBER 2021**  
 (All figures are in THUF except if otherwise indicated)

	<b>2020</b>		<b>2021</b>	
	<b>THUF</b>	<b>INR in Lakhs</b>	<b>THUF</b>	<b>INR in Lakhs</b>
Services used				
- Lux International AG (parent company)	1,34,514	318.66	1,61,578	394.13
<b>Total</b>	<b>1,34,514</b>	<b>318.66</b>	<b>1,61,578</b>	<b>394.13</b>
Purchase of products				
- Lux International AG (parent company)	16,42,592	3,891.30	16,46,169	4,015.43
- Lux Österreich GmbH	423	1.00	382	0.93
<b>Total</b>	<b>16,43,015</b>	<b>3,892.30</b>	<b>16,46,551</b>	<b>4,016.36</b>

In the reporting year there was no significant transaction in respect of related companies.

**33.SIGNIFICANT EVENTS AFTER THE REPORTING DATE**

We assessed how the Russian-Ukrainian military conflict that commenced on 24 February 2022 and its consequential economic effects may impact the Company, and based on this assessment we have not identified any specific condition that could significantly impact the financial position, financial performance or cash flows of the Company in 2022. However, due to the uncertainty and volatility of the situation it is possible that such condition having a significant impact arise.

Budapest, 19 April 2022

**LUX INTERNATIONAL AG**  
**(a wholly owned subsidiary company of**  
**Forbes Lux International AG)**

**Financial Statements**  
**For the Year ended December 31, 2021**

**Report of the Statutory Auditor on the Limited Statutory Examination to the Members' Meeting of Lux International AG, Wallisellen**

As statutory auditor, we have examined the financial statements (balance sheet, income statement and notes) of Lux International AG, Wallisellen, for the year ended December 31, 2021. The financial information for the year ended December 31, 2020, were audited by other auditors who expressed an unmodified opinion on this financial information on March 17, 2021.

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.

With regard to the valuation, we note the following: Our limited statutory examination revealed that Lux International AG reports an investment in Lux del Paraguay S.A. in the amount of CHF 1.577 million as well as an intercompany loan in the amount of CHF 1.624 million. We were unable to examine the valuation of the investment and the recoverability of the intercompany loan because no suitable documents were provided to us, despite our repeated request.

Based on our limited statutory examination, except for the qualification described in the preceding paragraph, nothing has come to our attention that causes us to believe that the financial statements do not comply with Swiss law and the company's articles of incorporation.

Without qualifying our examination conclusion, we draw attention to note 3.6 in the financial statements describing the vulnerabilities with regards to the future net sales and the respective impact on net profits and cash flows of Lux International AG. This fact as disclosed in note 3.6 in the financial statements indicate the existence of a material uncertainty that may cast significant doubt about the ability of Lux International AG to continue as a going concern. Should the company be unable to continue as a going concern, the financial statements would have to be prepared on the basis of liquidation values.

We draw attention to the fact, that half of the share capital and legal reserves is no longer covered (art. 725 para. 1 CO).

Zürich, May 17, 2022  
**Grant Thornton AG**

Dr. Shqiponja Isufi  
Audit expert  
Auditor in charge

Nina Beutler  
Audit expert

Enclosure:

- Financial statements (balance sheet, income statement and notes)

Lux International AG, Wallisellen

Balance Sheet as of 31 December	Notes	2021	2021	2020	2020
		CHF	INR in lakhs	CHF	INR in lakhs
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents		7,76,169.51	631.75	2,64,971.39	219.04
Trade accounts receivable					
- from third parties		6,86,794.12	559.01	7,38,399.24	610.41
- from entities in which the entity holds a participation		12,17,546.56	991.01	11,33,306.53	936.86
Other short-term receivables					
- from third parties		87,282.69	71.04	81,306.45	67.21
- from holders of participations and governing bodies		24,181.79	19.68	-	-
- from entities in which the entity holds a participation		33,49,227.23	2,726.07	19,30,083.88	1,595.53
Inventories		26,97,480.11	2,195.59	22,45,644.18	1,856.39
Current financial assets	2.1	22,503.74	18.32	13,312.19	11.00
Prepaid expenses and accrued income		1,31,587.29	107.10	87,526.62	72.36
<b>Total current assets</b>		<b>89,92,773.04</b>	<b>7,319.57</b>	<b>64,94,550.48</b>	<b>5,368.82</b>
<b>Non-current assets</b>					
Financial assets	2.2	19,36,667.19	1,576.33	19,06,865.95	1,576.34
Investments	2.3	96,92,143.17	7,888.82	1,54,81,162.75	12,797.70
Intangible assets		10,28,530.38	837.16	13,96,880.96	1,154.75
<b>Total non-current assets</b>		<b>1,26,57,340.74</b>	<b>10,302.31</b>	<b>1,87,84,909.66</b>	<b>15,528.78</b>
<b>TOTAL ASSETS</b>		<b>2,16,50,113.78</b>	<b>17,621.88</b>	<b>2,52,79,460.14</b>	<b>20,897.61</b>

Balance Sheet as of 31 December	Notes	2021		2020	
		CHF	INR in lakhs	CHF	INR in lakhs
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>Short-term liabilities</b>					
Trade accounts payable					
- to third parties		10,41,359.70	847.60	8,60,140.62	711.05
- to holders of participations and governing bodies		22,99,465.59	1,871.63	20,43,234.33	1,689.07
- to entities in which the entity holds a participation		56,41,352.21	4,591.72	26,43,167.48	2,185.01
Current interest-bearing loans		83,334.00	67.83	23,26,102.35	1,922.90
Other short-term liabilities					
- to third parties	2.6	6,25,868.42	509.42	4,94,120.78	408.47
- to entities in which the entity holds a participation		4,16,636.40	339.12	12,77,952.70	1,056.44
Short-term provisions	2.5	2,97,585.49	242.22	2,51,356.73	207.79
Accrued expenses and deferred income	2.5	2,19,903.01	178.99	4,11,932.34	340.53
<b>Total short-term liabilities</b>		<b>1,06,25,504.82</b>	<b>8,648.52</b>	<b>1,03,08,007.33</b>	<b>8,521.25</b>
<b>Long-term liabilities</b>					
Other non-current liabilities	2.6	-	-	5,42,215.00	448.23
Non-current interest-bearing loans	2.4	6,04,604.00	492.11	1,05,17,080.59	8,694.08
Non-current provisions	2.5	2,07,000.00	168.49	2,50,000.00	206.62
Provisions for unrealized exchange gains		1,31,586.17	107.10	1,87,109.92	154.68
<b>Total long-term liabilities</b>		<b>9,43,190.17</b>	<b>767.70</b>	<b>1,14,96,405.51</b>	<b>9,503.61</b>
<b>Total liabilities</b>		<b>1,15,68,694.99</b>	<b>9,416.22</b>	<b>2,18,04,412.84</b>	<b>18,024.86</b>

**Shareholders' equity**

Share capital		1,25,00,000.00	9,086.32	75,00,000.00	5,012.99
Participation capital		1,20,00,000.00	8,020.79	1,20,00,000.00	8,020.79
Legal capital reserves					
- Reserves from capital contributions					
- Other capital reserves					
Legal retained earnings					
- General legal retained earnings	2.13	-	-	15,00,000.00	1,040.55
Voluntary retained earnings					
- Accumulated profits or losses					
Accumulated profits or losses brought forward	2.13	(1,60,24,952.70)	(10,552.86)	(1,67,70,129.46)	(10,990.81)
Profit or loss for the year		16,06,371.49	1,298.77	(7,54,823.24)	(602.60)
FCTR			352.64		391.83
<b>Total shareholders' equity</b>		<b>1,00,81,418.79</b>	<b>8,205.66</b>	<b>34,75,047.30</b>	<b>2,872.75</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>2,16,50,113.78</b>	<b>17,621.88</b>	<b>2,52,79,460.14</b>	<b>20,897.61</b>



**Lux International AG, Wallisellen**

Income statement	Notes	2021	2021	2020	2020
		CHF	INR in lakhs	CHF	INR in lakhs
Revenue from sale of goods and services		1,33,64,084.83	10,805.03	1,37,15,275.46	10,949.36
Total operating income		1,33,64,084.83	10,805.03	1,37,15,275.46	10,949.36
Raw materials and supplies		(87,53,345.02)	(7,077.19)	(85,58,338.58)	(6,832.40)
Personnel expenses		(12,30,272.10)	(994.69)	(15,85,963.17)	(1,266.13)
Other operating expenses		(30,60,204.27)	(2,474.21)	(35,62,682.92)	(2,844.21)
Depreciation on property, plant and equipment		(98,758.42)	(79.85)	(16,448.84)	(13.13)
Amortisation on intangible assets		(3,44,459.61)	(278.50)	(3,33,679.50)	(266.39)
Impairment loss on investment	2.7	(51,32,881.70)	(4,150.00)	(1,12,47,332.82)	(8,979.12)
Total operating expenses		(1,86,19,921.12)	(15,054.44)	(2,53,04,445.83)	(20,201.37)
Operating result		(52,55,836.29)	(4,249.41)	(1,15,89,170.37)	(9,252.01)
Dividend income		3,58,220.00	289.63	67,431.05	53.83
Financial income	2.8	1,24,193.06	100.41	1,43,233.37	114.35
Financial expenses	2.9	(2,89,859.37)	(234.35)	(7,85,517.59)	(627.10)
Loss / Gain on sale of fixed assets	2.10	12,999.08	10.51	16,087.50	12.84
Extraordinary, non-recurring or prior period income	2.11	77,11,020.66	6,234.46	1,28,22,462.23	10,236.59
Extraordinary, non-recurring or prior period expenses	2.12	(10,26,674.55)	(830.08)	(14,00,280.78)	(1,117.89)
Profit or loss for the year before taxes		16,34,062.59	1,321.16	(7,25,754.59)	(579.39)
Direct taxes		(27,691.10)	(22.39)	(29,068.65)	(23.21)
Profit or loss for the year		16,06,371.49	1,298.77	(7,54,823.24)	(602.60)

## 1. Principles

### 1.1 General aspects

These financial statements 2021 were prepared according to the provisions of the Swiss Law on Accounting and Financial Reporting (3rd title of the Swiss Code of Obligations). Where not prescribed by law, the significant accounting and valuation principles applied are described below. The company's financial statements may be influenced by the creation and release of hidden reserves. It is stated, however, that these financial statements do not include any element of such hidden reserves.

### 1.2 Property, plant and equipment

Property, plant and equipment (PPE) includes office equipment, cars as well as 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 as well as costs for new financial accounting software (X3). The development phase for the product "Steam Cleaner" has been completed in 2019, and is amortized on a straight-line basis until 28 February 2027. The "Axel" and "Lux Intelligence Face Lift" projects are amortized on a straight-line basis until 30 June 2024. The financial accounting software will be amortized on a straight-line basis until 31 December 2025.

### 1.4 Revenue from sale of goods, royalties and factory participation

Revenue from sale of goods is recognized as soon as the goods have been delivered and invoiced.

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 recognized at acquisition cost less value adjustments. 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.

### 1.7 Inventories

Inventory is valued at cost (weighted average costs) less value adjustments

## 2. Information on balance sheet and income statement items

### 2.1 Current financial assets

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR in lakhs	CHF	INR in lakhs
Loans to third parties	19,394.60	15.79	9,141.90	7.56
Loans to entities in which the entity holds a participation	3,109.14	2.53	-	-
Private loans to employees	-	-	4,170.29	3.45
<b>Total</b>	<b>22,503.74</b>	<b>18.32</b>	<b>13,312.19</b>	<b>11.00</b>

### 2.2 Non-current financial assets

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR in lakhs	CHF	INR in lakhs
Loans to third parties	47,836.57	38.94	96,585.23	79.84
Loans to companies in which the entity holds an investment	18,88,830.62	1,537.39	18,10,280.72	1,496.50
<b>Total</b>	<b>19,36,667.19</b>	<b>1,576.33</b>	<b>19,06,865.95</b>	<b>1,576.34</b>

### 2.3 Investments

Company	Domicile	Share Capital		Share in Capital and voting rights in %	
		31.12.2021	31.12.2020	31.12.2021	31.12.2020
<b>Lux Schweiz AG</b> Direct Sales Company	Switzerland	CHF 700'000	CHF 700'000	100%	100%
<b>AMC Cookware (Pty) Ltd. *</b> Direct Sales Company & Local production	South Africa	ZAR 0	ZAR 100	0%	50%
<b>LIAG Trading and Investments Ltd. **</b> Trading and Logistic Company	United Arab Emirates	AED 0	AED 100'000	100%	100%
<b>Lux International Services &amp; Logistics GmbH</b> Group logistics company	Germany	EUR 25'000	EUR 25'000	100%	100%
<b>Lux Österreich GmbH</b> Direct Sales Company	Austria	EUR 500'000	EUR 500'000	100%	100%
<b>Lux Hungária Kereskedelmi Kft.</b> Direct Sales Company	Hungary	HUF 30'000'000	HUF 30'000'000	100%	100%
<b>Lux del Paraguay S.A.</b> Direct Sales Company	Paraguay	MPYG 12'500	MPYG 12'500	80%	80%
<b>Lux Professional Paraguay S.A.</b> Rental Company (B2B customer segment)	Paraguay	MPYG 2'500	MPYG 2'500	99%	99%
<b>Lux Welity Polska Sp. z o.o.</b> Direct Sales Company	Poland	PLN 100'000	PLN 100'000	100%	100%

\* Shares sold in December 2021. - Loss of control as of 1 December 2021

\*\* Liquidation procedure completed. - Loss of control as of 31st March 2021

### 2.4 Non-current interest-bearing loans

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR in lakhs	CHF	INR in lakhs
Loans from third parties	5,20,304.00	423.50	50,15,938.25	4,146.53
Loans from companies in which the entity holds an investment	84,300.00	68.62	2,22,750.00	184.14
Loans from shareholder	-	-	52,78,392.34	4,363.41
<b>Total</b>	<b>6,04,604.00</b>	<b>492.11</b>	<b>1,05,17,080.59</b>	<b>8,694.08</b>

In 2021, the shareholder (Forbes Lux International AG) made a capital increase in the amount of CHF 5'000'000 as well as a restructuring grant in the amount of CHF 7'450'000, which resulted in a reduction in non-current interest-bearing loans.

### 2.5 Current and non-current provisions

Current accrued expenses in the amount of CHF 113'582 include, among other positions, consultancy and auditing fees (CHF 49'800) as well as accruals for incentive costs (CHF 61'082). Current provisions include an accrual for overtime and vacation (CHF 12'000), accruals for taxes (CHF 46'700) and an accrual for volume rebates (CHF 238'885). Long-term restructuring provisions in the amount of CHF 207'000 have been separately disclosed as non-current liabilities.

### 2.6 Other liabilities to third parties

Lux International AG concluded on the 27th November 2020 a Settlement Agreement with the Insolvency Administrator of the former Lux Deutschland GmbH ("Lux Germany"). The parties agreed on a severance payment of EUR 1'300'000 with maturities in December 2020 (EUR 350'000), December 2021 (EUR 450'000) and December 2022 (EUR 500'000). By this payment, all net receivables and net liabilities of the group companies were irrevocably waived.

The payments related to 2020 and 2021 were performed on time.

### 2.7 Impairment loss on investments

The sale of the investment in AMC Cookware Ltd., South Africa, resulted in a loss of CHF 4'432'881.70. Additionally, the ongoing loss situation of Lux Schweiz AG led to a depreciation on the respective investment value in the amount of CHF 700'000.

## 2.8 Financial income

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR in lakhs	CHF	INR in lakhs
Interest income from third parties	2,602.59	2.10	9,523.58	7.60
Interest income from companies in which the entity holds an investment	1,21,590.47	98.31	1,33,709.79	106.74
Total	1,24,193.06	100.41	1,43,233.37	114.35

## 2.9 Financial expenses

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR in lakhs	CHF	INR in lakhs
Interest expense and charges to third parties	(2,25,284.25)	(182.15)	(3,93,227.80)	(313.93)
Interest expense to companies in which the entity holds an investment	(13,719.25)	(11.09)	(13,610.66)	(10.87)
Interest expense to shareholders	-	-	(2,18,128.67)	(174.14)
Net exchange losses realized and unrealized	(50,855.87)	(41.12)	(1,60,550.46)	(128.17)
Total	(2,89,859.37)	(234.35)	(7,85,517.59)	(627.10)

## 2.10 Loss on sale on fixed assets

This amount consists of a profit from the sale of a company car.

## 2.11 Extraordinary income

Extraordinary income results mainly from a shareholder's restructuring grant in the amount of CHF 7'450'000, a gain based on the liquidation of LIAG Trading and Investments Ltd. amounting to CHF 51'349, as well as from prior period income in the amount of CHF 209'672, which mainly results from the release of unneeded restructuring provisions and accruals from previous years. In prior year extraordinary income included a shareholder restructuring grant in the amount of CHF 11'342'032, a gain based on settlement agreement with the Insolvency Administrator of the former Lux Deutschland GmbH ("Lux Germany") amounting to CHF 1'024'802, as well as prior period income in the amount of CHF 455'628, which mainly results from the release of unneeded restructuring provisions and accruals from previous years.

## 2.12 Extraordinary expenses

Extraordinary expenses include, several restructuring expenses in the amount of CHF 973'399 as well as prior period expenses amounting to CHF 53'275. In prior year extraordinary expenses include prior period expenses (CHF 46'675), several restructuring expenses in the amount of CHF 877'154 as well as value adjustments on loans to Lux Italia s.r.l (CHF 139'601).

## 2.13 General legal retained earnings

As of December 31, 2021, the general legal retained earnings in the amount of CHF 1'500'000 were offset against the accumulated loss carried forward.

## 3. Other information

### 3.1 Full-time equivalents

	31.12.2021	31.12.2020
Number of Full-time Employees (average over the year)	5.0	6.2

### 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:

	31.12.2021	31.12.2021	31.12.2020	31.12.2020
	CHF	INR in Lakhs	CHF	INR in Lakhs
Up to 1 year	1,01,409.00	82.54	86,285.00	71.33
2-5 year	1,81,717.00	147.91	2,37,754.00	196.54
More than 5 years	-	-	-	-
Total	2,83,126.00	230.45	3,24,039.00	267.87

These amounts include payments related to rental or leasing contracts up to the end of their contractual period.

**3.3 Collaterals provided for liabilities against third parties**

	31.12.2021 CHF	31.12.2021 INR in Lakhs	31.12.2020 CHF	31.12.2020 INR in Lakhs
Lux International AG has issued a Guarantee Declaration towards Commerzbank, Germany, in favour of Lux Deutschland GmbH. The bank established a credit facility of EUR 200'000 which was used for granting bank guarantees towards landlords (security for rented office facilities). As of 31st December 2019, bank guarantees amounting to EUR 120'763,57 were issued. - As of 31st May 2020 (insolvency procedure), the same amount was formally outstanding. One landlord (EUR 37'500) has formally declared not to call the guarantee, as Lux International Services & Logistics GmbH entered into the rent contract (Logistics Centre, warehouse in Rodges/Fulda). - Accordingly, the remaining guarantees amount to EUR 83'263.57 as of 31st December 2021.	86,293.00	70.24	90,294.00	74.64
Lux International AG has issued a Guarantee Declaration towards Bank Austria, Austria, in favour of Lux Österreich GmbH. The bank granted an overdraft limit of EUR 250'000 to the subsidiary, which has neither been drawn down as 31st December 2021	2,59,095.00	210.89	2,71,108.00	224.11
Lux International AG has issued a Letter of Comfort towards Budapest Bank, Hungary, in favour of Lux Hungary. The amount was limited as of 31.12.2020 to a maximum of THUF 890'000, but has been increased to THUF 1'100'000 in September 2021. Lux Hungária Kft. has pledged various assets to Budapest Bank on the basis of local Bank Loan Agreements. The subsidiary has drawn down HUF 823'000'000 (CHF 2'308'515) as of 31st December 2021 (PY: HUF 817'467'000 / CHF 2'431'147).	24,96,450.00	2,031.96	26,46,860.00	2,188.04

**3.4 Contingent liabilities**

The settlement agreement with the Insolvency Administrator of the former Lux Deutschland GmbH ("Lux Germany") includes an earn-out clause, whereas a profit share on the consolidated net result of Lux Group in 2023 and 2024 would be assigned to the insolvency mass. This profit share amounts to 1/3 of a net profit exceeding 1.0 Mio. EUR in each of the two years. The total amount of the two profit shares has been limited to a maximum amount of 1.7 Mio. EUR. Considering the historical Net Loss situation of the past years, the actual significant market distortions due to the Covid pandemic, and the high uncertainty of future profit projections, the management considers it unlikely that such profit share will have to be paid out in the upcoming years. Accordingly, no provisions have been recorded for such payout.

**3.5 Capital loss**

As per 31.12.2021, half of the share capital, the participation share capital and the legal reserves were no longer covered (Para 725 I of the Swiss Code of Obligations).

### 3.6 Going concern assessment

After the outbreak of the pandemic in 2020, 2021 was the first full year where Lux and its direct and indirect subsidiaries lived with the consequences of the worldwide Covid19 situation.

#### Adjusting the corporate structure

The Board of Directors has taken decisions to divest two unprofitable operations in 2020, which impacted positively on the 2021 performance, as these local losses did not incur any longer. This concerned the subsidiary of Lux Germany (declared insolvency in April 2020, and was de-consolidated as of 30th June 2020), and of Lux Norway (sold to the Managing Director with effect as of 31st December 2020). The respective figures for 2020 left the consolidation perimeter, and improved the 2021 result: (all figures in 000 EUR)

Positive effects on Lux Group after de-consolidating Germany and Norway:

EURO	INR in Lakhs	
(4,375.00)	(3,825.00)	Net Sales
(3,063.00)	(2,677.93)	Gross Profit
2,905.00	2,539.80	S&M costs
1,094.00	956.47	Direct admin expenses
<u>936.00</u>	<u>818.33</u>	Total effect

During 2021, the Board of Directors took the decision to divest the 50% share in AMC South Africa. There have no synergy effects been achieved between the two companies, and the financial participation could be sold off to the partner shareholder, creating a 926k CHF cash inflow, but leading to an impairment on the sale of the shares of 4'956k EUR.

In December 2021, the Board of Directors decided to discontinue the operations of the Swiss subsidiary, Lux Switzerland, from 2022 onwards. The company had simply lost its critical mass. The decision led to a provision for the winding-down costs, and to the elimination of the Deferred Tax Asset; totally amounting to 259k EUR. Since 1st March 2022, the operation is handled as an independent Distributorship.

#### De-leveraging the Balance Sheet

Our parent company, India-based Eureka Forbes Ltd., took care of the complete repayment of the Bank Facilities which they had guaranteed, raised at ICICI Bank, London. These financial liabilities amounted to 6'420k EUR as of 31st December 2020, and were completely repaid by Eureka Forbes by or before 30th June 2021

#### Strengthening the Equity portion in the Balance Sheet

Eureka Forbes Ltd. undertook two transactions to strengthen the Equity portion in the Balance Sheet of Lux International AG during 2021. They agreed to convert 4'546k EUR/5'000k CHF from liabilities into share capital, as of 2nd March 2021. Furthermore, they granted a tax-privileged, non-cash effective Restructuring contribution amounting to 6'890k EUR/7'450k CHF, as of 30th June 2021.

These transactions led to a significant strengthening of the equity base of the company: While Lux International AG (stand-alone) reported a Net Equity of 3'475k CHF as of 31st December 2020, the same amounted to 10'081k CHF as of 31st December 2021. Our Equity Ratio increased from 16% up to 47%. - The respective figures for the Consolidated Balance Sheet amount to a negative equity of -1'970k EUR (31st December 2020), respectively 4'604k EUR (31st December 2021); equivalent to an Equity Ratio of 27%. By these transactions, the shareholder has clearly expressed his will and ability to maintain a sufficient equity base, absorbing the restructuring losses during the pandemic

**Autonomous self-financing of the group's operations**

The last cash-effective financial support of the shareholder into the treasury of Lux International AG goes back to the 23rd June 2020 (200k USD). Since then, Lux Group has handled its entire liquidity management autonomously and self-financed. This includes, amongst others, the following significant elements:

- Obtaining a SwissGov COVID19 loan, amounting to 500k CHF for Lux International AG, in March 2020. Repayable from September 2022 onwards in 12 instalments of 41.7k CHF each (September 2022 two tranches)
- Obtaining a SwissGov COVID19 loan, amounting to 35k CHF for Lux Switzerland, in March 2020. This loan has been completely repaid in December 2021
- Obtaining the firm commitment to finance up to 450k EUR of development costs for the NewGen Aeroguard360 by our Danish Distributor, Nordic2Care. As of 31st December 2021, 100k EUR of this credit line have been disbursed
- Paying the contractually agreed down-payments to the German Insolvency Administrator, amounting to 350k EUR (December 2020) and 450k EUR (December 2021), fully and on-time

While it must be stated that the corporate treasury is still in a quite fragile situation, the fact of running it self-financed has not been seen for more than 5 years.

**Reaching the operational turnaround**

The absolute amounts of the group's Net Results require a differentiated view to recognise the purely operational improvement that has been achieved. The Net Result "from operations", leaving out the impairments of terminated subsidiaries, and also leaving out the restructuring contributions obtained from the parent company, shows a clear picture of reaching the turnaround.

(all figures in 000 EUR)

Description	2021 EUR	2021 INR In Lakhs	2020 EUR	2020 INR In Lakhs
Consolidated Net Result, as reported	1,818.00	1,589.45	6,785.00	5,807.88
Add back:		-		
Impairments of de-consolidation of terminated subsidiaries *)	5,314.00	4,645.95	(1,243.00)	(1,063.99)
Deduct:		-		
Restructuring contributions obtained from parent company	(6,890.00)	(6,023.82)	(10,597.00)	(9,070.91)
Consolidated Net Result, "from operations"	242.00	211.58	(5,055.00)	(4,327.02)

\*2021: AMC South Africa, Switzerland

2020: Germany, Norway, Italy

**2022 expectations and valuation**

The past periods since the outbreak of the pandemic have revealed the vulnerability of the Net Sales volumes of Lux Group. While the aggregated Net Sales over the entire group declined by -15% in 2020 compared to previous year, the group could even catch back +4% in 2021. With the forced trend towards the creation of more Distributors, away from fully-owned subsidiaries, the group has significantly mitigated the risks from local Net Losses. Distributor-based incomes are "per definition" risk free for Lux Group, as the entire cost exposure is on the side of the Distributor. The actions taken since 2020 (Germany, Norway, Italy, Switzerland) clearly follow that logic.

Lux Group has visibly shifted towards a much more flexible cost structure in the past 2 years. The results from 1st Quarter 2022 reveal that even a Net Sales volume of -7% compared to the budget still leaves the group with a positive Pre-Tax Profit.

At the same time, the Board of Directors is fully aware of the relevance of the sales volumes, both with fully-owned subsidiaries and distributors, for its projections of profits – being both relevant for the underlying value of the financial participations in the books of Lux International AG, and the future discounted cash flows. The group contains these risks by maintaining activities in diversified markets, by new market openings (Central and South America), and by bringing new generations of main units to its markets (2020: New steam cleaner EcoLux NEO, new Air purifiers Aeroguard S and Aeroguard SENSE, new vacuum cleaners SpeedyLux and EasyMove; 2021: new water purifier Waterguard THIN). Furthermore, the product pipeline is filled with relevant new developments and sourcing (completely new models of a Water Softener, NewGen air purifier Aeroguard360, new robotic vacuum cleaner, etc.).

**Going Concern conclusion**

The Board of Directors has assessed in-depth the risks, opportunities and threats of Lux Group; both for the Holding company, Lux International AG, and the Group as a whole (Consolidated Statements). Based on the aforementioned elements, the Board has come to the clear decision that “Going Concern” for both entities is granted.

The company is led by a strong, highly competent Executive Management Board (EMB) under the leadership of its CEO, Urs Meier. This management body has led the company out of the heavy losses of the past years, and delivered a clear turnaround in 2021. Despite all odds, the company maintains a self-financed treasury since 2020, and pushes its product range forward by units which the market requests and accepts. From the side of the shareholder, all necessary steps have been taken to restore a positive equity base. With a fundamentally de-leveraged balance sheet structure, and with a net equity of >10mn CHF at the level of the Holding company, the group is well set for a further growth, and could also absorb further unexpected losses.

The Board of Directors, considering all risks and opportunities which can be assessed today, fully endorses all valuations reflected in the accounts of the company, both on a group level and in the legal entity of Lux International AG.

**3.7 Significant events after the balance sheet date**

No significant events occurred



**LUX INTERNATIONAL SERVICES & LOGISTICS GMBH**  
**(a Subsidiary of Lux International AG)**

**Financial Statements**  
**For the Year ended December 31, 2021**

Independent practitioner's review report to the Board of Directors of

**Lux International Services & Logistics GmbH, Fulda**

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We have reviewed the accompanying financial information of Lux International Services & Logistics GmbH, which comprise the balance sheet as at December 31<sup>st</sup>, 2021, 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 December 31<sup>st</sup>, 2021 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 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 December 31<sup>st</sup>, 2021, 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).

MUTH & Co. GMBH  
Wirtschaftsprüfungsgesellschaft



(Kurt Abert)  
Wirtschaftsprüfer

Fulda, March 14<sup>st</sup>, 2022

*Enclosure:*

- Financial information (balance sheet, income statement and a summary of significant accounting policies and other explanatory information (on pages 1 to 4))

**Lux International Services & Logistics GmbH**  
**Fulda**  
**Balance Sheet at 31. December 2021**

Assets	31. Dec. 2021	31. Dec. 2021	31. Dec. 2020	31. Dec. 2020
	EUR	INR in lakhs	EUR	INR in lakhs
<b>A. Non-current assets</b>				
<b>I. Intangible assets</b>				
Industrial protection rights and similar rights and assets purchased for consideration	11,647.00	9.82	14,263.00	12.76
<b>II. Property, plant and equipment</b>				
Other operational and office equipment	96,384.00	81.30	98,574.63	88.20
	<u>1,08,031.00</u>	<u>91.13</u>	<u>1,12,837.63</u>	<u>100.96</u>
<b>B. Current assets</b>				
<b>I. Receivables and other assets</b>				
1. Trade accounts receivable	13,514.97	11.40	13,376.06	11.97
2. Receivable from shareholder	3,42,496.40	288.91	5,19,665.78	464.97
3. Other assets	25,484.57	21.50	6,514.16	5.83
	<u>3,81,495.94</u>	<u>321.81</u>	<u>5,39,556.00</u>	<u>482.77</u>
<b>II. Cash on hand and bank balances</b>	73,675.86	62.15	1,13,683.89	101.72
	<u>4,55,171.80</u>	<u>383.96</u>	<u>6,53,239.89</u>	<u>584.49</u>
<b>C. Prepaid expenses and deferred charges</b>	1,033.00	0.87	-	-
	<u>5,64,235.80</u>	<u>475.96</u>	<u>7,66,077.52</u>	<u>685.45</u>

**Lux International Services & Logistics GmbH**  
**Fulda**  
**Balance Sheet at 31. December 2021**

Shareholder equity and liabilities

	31. Dec. 2021	31. Dec. 2021	31. Dec. 2020	31. Dec. 2020
	EUR	INR in lakhs	EUR	INR in lakhs
<b>A. Shareholder equity</b>				
I. Subscribed capital	25,000.00	18.45	25,000.00	18.45
II. Profit/Loss carried forward	2,07,251.18	311.06	(13,55,882.32)	(1,026.96)
III. Profit/Loss for the period	79,079.21	69.14	15,63,133.50	1,338.02
Foreign Currency Translation Reserve		(136.03)		(121.70)
	<u>3,11,330.39</u>	<u>262.62</u>	<u>2,32,251.18</u>	<u>207.81</u>
<b>B. Provisions and accrued liabilities</b>				
1. Tax accrual	1,33,000.00	112.19	1,00,000.00	89.47
2. Other provisions and accrued liabilities	69,100.00	58.29	1,42,300.00	127.32
	<u>2,02,100.00</u>	<u>170.48</u>	<u>2,42,300.00</u>	<u>216.80</u>
<b>C. Liabilities</b>				
1. Bank liabilities	14,552.50	12.28	-	-
- of which with a remaining term of up to one year: EUR 3.418,00 (prior year: EUR 0,00)				
- of which with a remaining term of longer than one year: EUR 11.134,00 (prior year: EUR 0,00)				
2. Trade accounts payable	14,702.11	12.40	20,002.84	17.90
- of which with a remaining term of up to one year: EUR 14.702,11 (prior year: EUR 20.002,84)				
3. Accounts payable to shareholder	-	-	2,39,987.78	214.73
- of which with a remaining term of up to one year: EUR 0,00 (prior year: EUR 239.987,78)				
4. Other liabilities				
- of which with a remaining term of up to one year: EUR 21.550,80 (prior year: EUR 31.535,72)				
- of which for taxes: EUR 20.898,93 (prior year: EUR 30.523,66)	21,550.80	18.18	31,535.72	28.22
	<u>50,805.41</u>	<u>42.86</u>	<u>2,91,526.34</u>	<u>260.84</u>
	<u>5,64,235.80</u>	<u>475.96</u>	<u>7,66,077.52</u>	<u>685.45</u>

Income statement for the year  
ended 31. December 2021

	2021	2021	2021	2021	2020	2020	2020	2020
	EUR	EUR	INR in Lakhs	INR in Lakhs	EUR	EUR	INR in Lakhs	INR in Lakhs
1 Sales revenue	15,13,069.32		1,322.85		22,80,654.31		1,952.21	
2 Other operating income	<u>2,26,125.47</u>	17,39,194.79	<u>197.70</u>	1,520.55	<u>17,98,564.78</u>	40,79,219.09	<u>1,539.55</u>	3,491.76
3 Cost of materials								
Cost of purchased trading stock		0		0.00		(1.45)		0.00
4 Personnel expenses								
a) Wages and salaries	8,05,648.47		704.37		11,80,652.93		1,010.63	
Social security costs and expenses for								
b) retirement and support benefits								
--of which for retirement benefits: EUR								
5.140,00 (prior year: EUR 3.380,00)--	<u>1,63,327.19</u>	9,68,975.66	<u>142.79</u>	847.16	<u>2,42,904.37</u>	14,23,557.30	<u>207.92</u>	1,218.55
Amortisation of intangible assets and								
5 depreciation								
of property, plant and equipment		27,285.56		23.86		19,726.94		16.89
6 Other operating expenses		6,25,828.77		547.15		9,71,437.80		831.54
7 Taxes on income		<u>33,000.00</u>		<u>28.85</u>		<u>1,00,000.00</u>		<u>85.60</u>
8. Profit after Tax		84,104.80		73.53		15,64,498.50		1,339.18
9 Other taxes		<u>5,025.79</u>		<u>4.39</u>		<u>1,365.00</u>		<u>1.17</u>
10 Profit/Loss for the period		<u>79,079.01</u>		<u>69.14</u>		<u>15,63,133.50</u>		<u>1,338.01</u>

## Lux International Services & Logistics GmbH

### Significant accounting policies of Lux Group and other explanatory information of Lux International Services & Logistics GmbH, Fulda

#### Basis of preparation and explanatory information

The financial information of Lux International Services & Logistics GmbH, Fulda 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 position and earnings in accordance with Swiss GAAP FER.

As result, the financial information of Lux International Services & Logistics GmbH, Fulda 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 2021, 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.

## Lux International Services & Logistics GmbH

### Significant accounting policies of Lux Group and other explanatory information of Lux International Services & Logistics GmbH, Fulda

#### 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.



## **Lux International Services & Logistics GmbH**

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.

[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, or 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) [Translator's 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.

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(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 scelerous, 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 (Verbraucherstreitbelegungsgesetz).

#### 15. Applicable law

The contract, the performance of the services and all claims resulting therefrom are exclusively governed by German law.

**LUX OESTERREICH GMBH**  
**(a subsidiary Company of Lux International AG)**

**Financial Statements**  
**For the Year ended December 31, 2021**

# Auditor's Report

## Report on the Financial Statements

### Audit Opinion

We have audited the financial statements of

**Lux Österreich GmbH,  
Schwechat,**

These financial statements comprise the statement of financial position as of December 31, 2021, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2021 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

### Basis for Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and 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 Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Our responsibility and liability as auditor is guided by Section 275 par. 2 Austrian Company Code UGB (liability regulations for the audit of small and medium-sized companies) and is limited to a total of 2 million Euros towards the Company and towards third parties.

### Material Uncertainty Related to Going Concern

We refer to page 1 of the notes under "General principles" where the uncertainties related to going concern are described. Our opinion is not modified in respect of to this matter.

### Other matters

The financial statements of the Company for the year ended December 31, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on March 12, 2021.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of consolidated 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.

### 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 International Standards on Auditing 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.

This English language audit report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation. The report is a **translation** of the original report in German, which is solely valid.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISA, 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, 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.

Vienna, March 15, 2022

Grant Thornton Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Christoph ZIMMEL mp  
Certified Public Accountant

Lukas GLATTAUER mp  
Certified Public Accountant

This report is a translation of the original report in German, which is solely valid.

Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the management report are identical with the German audited version. This audit opinion is only applicable to the German and complete financial statements. Section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions

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**Lux Oesterreich GmbH**

**Balance Sheet**

<b>Assets</b>	<b>2021-12-31</b>	<b>2021-12-31</b>	<b>2020-12-31</b>	<b>2020-12-31</b>
	<b>EUR</b>	<b>INR in Lakhs</b>	<b>EUR</b>	<b>INR in Lakhs</b>
<b>A. Fixed assets</b>				
I. Intangible assets				
1. Software	-	-	9,026.00	8.08
II. Tangible assets				
1. Buildings	251.00	0.21	611.00	0.55
<i>thereof fixtures in foreign buildings</i>	<i>251.00</i>	<i>0.21</i>	<i>611.00</i>	<i>0.55</i>
2. Other fixtures and fittings, tools and equipment	21,723.44	18.32	25,483.49	22.80
	<u>21,974.44</u>	<u>18.54</u>	<u>26,094.49</u>	<u>23.35</u>
III. Financial assets				
1. Investments held as fixed assets	54,902.00	46.31	58,103.00	51.99
	<u>76,876.44</u>	<u>64.85</u>	<u>93,223.49</u>	<u>83.41</u>
<b>B. Current assets</b>				
I. Inventories				
1. Goods for resale	2,36,038.32	199.11	2,22,041.85	198.67
II. Accounts receivable and other assets				
1. Accounts receivable - Trade	9,95,595.95	839.83	10,66,068.39	953.86
<i>thereof with a remaining maturity of more than one year</i>	<i>4,06,617.43</i>	<i>343.00</i>	<i>4,01,775.28</i>	<i>359.49</i>
2. Accounts receivable - Affiliated companies	2,83,647.60	239.27	1,13,526.20	101.58
<i>thereof other</i>	<i>2,83,647.60</i>	<i>239.27</i>	<i>1,13,526.20</i>	<i>101.58</i>
3. Other receivables and assets	73,118.10	61.68	53,138.43	47.55
	<u>13,52,361.65</u>	<u>1,140.78</u>	<u>12,32,733.02</u>	<u>1,102.99</u>
III. Cash in hand and bank balances	6,857.47	5.78	69,520.96	62.20
	<u>15,95,257.44</u>	<u>1,345.68</u>	<u>15,24,295.83</u>	<u>1,363.86</u>
<b>C. Prepayments and accrued income</b>	<b>2,448.03</b>	<b>2.07</b>	<b>2,295.30</b>	<b>2.05</b>
<b>Total assets</b>	<u><u>16,74,581.91</u></u>	<u><u>1,412.59</u></u>	<u><u>16,19,814.62</u></u>	<u><u>1,449.33</u></u>



**Lux Oesterreich GmbH**

**Balance Sheet**

**Shareholder's equity and liabilities**

	2021-12-31	2021-12-31	2020-12-31	2020-12-31
	EUR	INR in Lakhs	EUR	INR in Lakhs
<b>A. Shareholder's equity, Negative shareholder's equity</b>				
I. Nominal capital called	5,00,000.00	424.80	5,00,000.00	424.80
<i>Nominal capital</i>	<i>5,00,000.00</i>	<i>424.80</i>	<i>5,00,000.00</i>	<i>424.80</i>
<i>Capital paid in</i>	<i>5,00,000.00</i>	<i>424.80</i>	<i>5,00,000.00</i>	<i>424.80</i>
II. Capital reserves				
1. not appropriated	14,80,000.00	1,202.62	12,00,000.00	985.48
III. Balance Sheet Loss	(18,44,145.41)	(1,477.89)	(17,84,339.40)	(1,425.60)
<i>thereof loss carried forward from the previous years</i>	<i>(17,84,339.40)</i>	<i>(1,425.60)</i>	<i>(11,19,839.95)</i>	<i>(856.80)</i>
	<b>1,35,854.59</b>	<b>149.52</b>	<b>(84,339.40)</b>	<b>(15.32)</b>
Foreign Currency Translation Reserve		(34.93)		(60.13)
<b>B. Provisions</b>				
1. Provisions for severance payments	27,294.12	23.02	19,740.71	17.66
2. Provisions for pensions	43,162.00	36.41	55,615.00	49.76
3. Provisions for taxation	-	-	1,750.00	1.57
4. Other provisions	1,56,420.00	131.95	1,85,717.29	166.17
	<b>2,26,876.12</b>	<b>191.38</b>	<b>2,62,823.00</b>	<b>235.16</b>
<b>C. Liabilities</b>				
1. Bank loans	6,97,989.29	588.79	6,81,034.27	609.35
<i>thereof with a remaining maturity of up to one year</i>	<i>6,97,989.29</i>	<i>588.79</i>	<i>6,81,034.27</i>	<i>609.35</i>
2. Accounts payable - Trade	70,099.44	59.13	53,435.06	47.81
<i>thereof with a remaining maturity of up to one year</i>	<i>67,517.72</i>	<i>56.95</i>	<i>49,222.78</i>	<i>44.04</i>
<i>thereof with a remaining maturity of more than one year</i>	<i>2,581.72</i>	<i>2.18</i>	<i>4,212.28</i>	<i>3.77</i>
3. Accounts payable - Affiliated companies	83,980.05	70.84	1,04,804.01	93.77
<i>thereof arising from deliveries and services</i>	<i>83,980.05</i>	<i>70.84</i>	<i>1,04,804.01</i>	<i>93.77</i>
<i>thereof with a remaining maturity of up to one year</i>	<i>83,980.05</i>	<i>70.84</i>	<i>1,04,804.01</i>	<i>93.77</i>
4. Other liabilities	4,59,782.42	387.85	6,02,057.68	538.68
<i>thereof taxes</i>	<i>1,40,752.53</i>	<i>118.73</i>	<i>1,88,387.38</i>	<i>168.56</i>
<i>thereof social security</i>	<i>1,45,621.94</i>	<i>122.84</i>	<i>1,69,498.68</i>	<i>151.66</i>
<i>thereof with a remaining maturity of up to one year</i>	<i>4,59,782.42</i>	<i>387.85</i>	<i>6,02,057.68</i>	<i>538.69</i>
	<b>13,11,851.20</b>	<b>1,106.61</b>	<b>14,41,331.02</b>	<b>1,289.62</b>
<i>thereof with a remaining maturity of up to one year</i>	<i>13,09,269.48</i>	<i>1,104.43</i>	<i>14,37,118.74</i>	<i>1,285.86</i>
<i>thereof with a remaining maturity of more than one year</i>	<i>2,581.72</i>	<i>2.18</i>	<i>4,212.28</i>	<i>3.77</i>
<b>Total shareholder's equity and liabilities</b>	<b>16,74,581.91</b>	<b>1,412.59</b>	<b>16,19,814.62</b>	<b>1,449.33</b>

Lux Oesterreich Gmbh

Profit and Loss Account

	2021-12-31 EUR	2021-12-31 INR in Lakhs	2020-12-31 EUR	2020-12-31 INR in Lakhs
<b>1 Net turnover</b>	<b>24,50,681.91</b>	<b>2,142.59</b>	<b>23,38,871.36</b>	<b>2,002.05</b>
<b>2 Other operating income</b>	<b>3,15,568.14</b>	<b>275.90</b>	<b>34,315.05</b>	<b>29.37</b>
<b>3 Cost of materials and purchased services</b>				
a) Cost of materials	6,67,022.92	583.17	6,42,473.99	549.95
b) Cost of purchased services	0.00	0.00	(545.50)	(0.47)
	<b>6,67,022.92</b>	<b>583.17</b>	<b>6,41,928.49</b>	<b>549.48</b>
<b>4 Personnel expenses</b>				
a) Salaries	12,09,415.50	1,057.37	11,76,194.04	1,006.81
b) Social security costs	3,49,629.27	305.68	3,23,125.35	276.59
<i>thereof expenses for retirement benefits</i>	<i>2,316.20</i>	<i>2.03</i>	<i>4,071.36</i>	<i>3.49</i>
	<b>15,59,044.77</b>	<b>1,363.05</b>	<b>14,99,319.39</b>	<b>1,283.40</b>
<b>5 Amortisation and depreciation</b>				
a) Of intangible assets and tangible fixed assets	17,249.13	15.08	11,141.29	9.54
<b>6 Other operating expenses</b>	<b>12,41,527.83</b>	<b>1,085.45</b>	<b>9,50,980.53</b>	<b>814.03</b>
<b>7 Subtotal no. 1 to 6 (Operating profit)</b>	<b>(7,18,594.60)</b>	<b>(628.26)</b>	<b>(7,30,183.29)</b>	<b>(625.03)</b>
<b>8 Income from other investments</b>	<b>873.00</b>	<b>0.76</b>	<b>970.00</b>	<b>0.83</b>
<b>9 Other interest and similar income</b>	<b>77,005.01</b>	<b>67.32</b>	<b>94,354.10</b>	<b>80.77</b>
<b>10 Income from disposal of and revaluation of financial assets</b>	<b>0.00</b>	<b>0.00</b>	<b>582.00</b>	<b>0.50</b>
<b>11 Expenditure related to financial assets</b>	<b>3,201.00</b>	<b>2.80</b>	<b>0.00</b>	<b>0.00</b>
<b>12 Interest payable and similar expenses</b>	<b>34,138.42</b>	<b>29.85</b>	<b>28,470.26</b>	<b>24.37</b>
<b>13 Subtotal no. 8 to 12 (Financial result)</b>	<b>40,538.59</b>	<b>35.44</b>	<b>67,435.84</b>	<b>57.72</b>
<b>14 Earnings before taxes (Total no. 7 and no. 13)</b>	<b>(6,78,056.01)</b>	<b>(592.81)</b>	<b>(6,62,747.45)</b>	<b>(567.30)</b>
<b>15 Taxes on income</b>	<b>1,750.00</b>	<b>1.53</b>	<b>1,752.00</b>	<b>1.50</b>
<b>16 Earnings after taxes</b>	<b>(6,79,806.01)</b>	<b>(594.34)</b>	<b>(6,64,499.45)</b>	<b>(568.80)</b>
<b>17 Net loss for the year</b>	<b>(6,79,806.01)</b>	<b>(594.34)</b>	<b>(6,64,499.45)</b>	<b>(568.80)</b>
<b>18 Release of capital reserves</b>	<b>6,20,000.00</b>	<b>542.06</b>	<b>0.00</b>	<b>0.00</b>
<b>19 Loss for the year</b>	<b>(59,806.01)</b>	<b>(52.29)</b>	<b>(6,64,499.45)</b>	<b>(568.80)</b>
<b>20 Loss carried forward from the previous years</b>	<b>(17,84,339.40)</b>	<b>(1,425.60)</b>	<b>(11,19,839.95)</b>	<b>(856.80)</b>
<b>21 Balance sheet loss</b>	<b>(18,44,145.41)</b>	<b>(1,477.89)</b>	<b>(17,84,339.40)</b>	<b>(1,425.60)</b>

**LUX PROFESSIONAL SA**  
(a wholly owned subsidiary of Lux International AG)

**Financial Statements**  
**For the Year ended December 31, 2021**

## CONFIRMATION LETTER

**Dear Lux International AG, - Mr. Balázs Balogh**

We herein confirm that Company Code 456A, Lux Professional S.A., a Paraguayan based company, with Tax ID # 80095293-6, does not currently require an external/independent audit as per our local Law 2421/04 Art 33 and Resolution 53/2020, as of December 2021 closing.

Our local law requires certified audited financials only to those companies that reaches a minimum total yearly Net sales (excluding VAT) of PYG 9'000 Mn., Lux Professional S.A. has reached as per local GAAPS reporting, a global yearly net sales of PYG 4'000 Mn, therefore this management is able to confirm there is no local audit services needed for 2021.

Best Regards,



Mrs. Julia Sandoval  
Managing Director

**Lux Professional SA**  
**Standalone Balance Sheet**

	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
<b>ASSETS</b>				
Cash and cash equivalents	75.00	63.27	128.00	115.45
Restricted cash and cash equivalents	-	-	-	-
Trade receivables	63.00	53.14	-7.00	-6.31
Other receivables	53.00	44.71	51.00	46.00
Inventories	119.00	100.38	70.00	63.14
Prepayments and accrued income	20.00	16.87	1.00	0.90
<b>Current assets</b>	<b>330.00</b>	<b>278.37</b>	<b>243.00</b>	<b>219.18</b>
Investment	-	-	-	-
Property, plant and equipment	170.00	143.40	161.00	145.22
Intangible assets	22.00	18.56	-	-
Deferred tax assets	-	-	-	-
Trade receivables	-	-	-	-
Loan to related parties	-	-	-	-
Other non-current assets	10.00	8.44	10.00	9.02
<b>Non-current assets</b>	<b>202.00</b>	<b>170.40</b>	<b>171.00</b>	<b>154.24</b>
<b>TOTAL ASSETS</b>	<b>532.00</b>	<b>448.77</b>	<b>414.00</b>	<b>373.42</b>
in TEUR				
	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
<b>LIABILITIES &amp; EQUITY</b>				
Bank overdrafts	-	-	-	-
Interest bearing bank debts	-	-	-	-
Trade liabilities	47.00	39.65	58.00	52.31
Liabilities from A/R refinancing	-	-	-	-
Short-term provisions	-	-	-	-
Accrued expenses	-	-	-	-
Other current liabilities	127.00	107.13	161.00	164.42
<b>Current liabilities</b>	<b>174.00</b>	<b>146.78</b>	<b>219.00</b>	<b>216.73</b>
Interest bearing bank debts	-	-	-	-
Long term payables from shareholder and related parties	243.00	204.98	224.00	202.04
Pension provisions	-	-	-	-
Long term provisions	-	-	-	-
Deferred tax liabilities	-	-	-	-
Other non-current liabilities	-	-	-	-
<b>Non-current liabilities</b>	<b>243.00</b>	<b>204.98</b>	<b>224.00</b>	<b>202.04</b>
<b>Total liabilities</b>	<b>417.00</b>	<b>351.76</b>	<b>443.00</b>	<b>418.78</b>
Share capital	330.00	271.50	301.00	271.50
Capital reserves	-	-	-	-
Retained earnings	-215.00	-206.24	-330.00	-327.77
Translation reserve	-	31.75	-	10.91
Total equity attributable to shareholders of the parent company	115.00	97.01	-29.00	-45.36
Minority interests	-	-	-	-
<b>Total equity</b>	<b>115.00</b>	<b>97.01</b>	<b>-29.00</b>	<b>-45.36</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>532.00</b>	<b>448.77</b>	<b>414.00</b>	<b>373.42</b>

**Lux Professional SA**  
**Standalone Income Statement**

	<b>31.12.2021</b>		<b>31.12.2020</b>	
	<b>TEUR</b>	<b>INR in Lakhs</b>	<b>TEUR</b>	<b>INR in Lakhs</b>
Net sales	396	346.22	132	103.68
Sales commission	-	-	-	-
<b>Total revenues</b>	<b>396</b>	<b>346.22</b>	<b>132</b>	<b>103.68</b>
Cost of goods sold	(225)	(196.71)	(68)	(53.41)
<b>Gross profit</b>	<b>171</b>	<b>149.50</b>	<b>64</b>	<b>50.27</b>
Selling and marketing costs	(18)	(15.74)	(20)	(15.71)
Administrative expenses	(43)	(37.59)	(29)	(22.78)
Other operating income	-	-	-	-
Other operating expenses	-	-	-	-
<b>Operating result</b>	<b>110</b>	<b>96.17</b>	<b>15</b>	<b>11.78</b>
Exchange difference	61	53.33	(23)	(18.07)
Financial income	(18)	(15.74)	(17)	(13.35)
<b>Ordinary result</b>	<b>153</b>	<b>133.77</b>	<b>(25)</b>	<b>(19.64)</b>
Result from joint ventures	-	-	-	-
Non-operating income/expenses	-	-	(18)	(14.14)
<b>Profit / (loss) before income tax</b>	<b>153</b>	<b>133.77</b>	<b>(43)</b>	<b>(33.77)</b>
Income Tax	(14)	(12.24)	(1)	(0.79)
<b>Net result for the year</b>	<b>139</b>	<b>121.53</b>	<b>(44)</b>	<b>(34.56)</b>

**LUX SCHWEIZ AG**  
**(a wholly owned subsidiary of Lux International AG)**

**Financial Statements**  
**For the Year ended December 31, 2021**



**Lux Schweiz AG**

**To whom it may concern.**

CH-8304 Wallisellen (Switzerland), 12<sup>th</sup> August 2022

***Management confirmation***

Dear Sirs:

According to Para 727a.2 of the Swiss Code of Obligations, a “Limited” – company can waive the audit with the unanimous consent of all shareholders. This is possible as long as the company does not employ more than 10 (ten) Full-Time – Equivalent employees [so-called “Opting-out”]. This “Opting-out” remains also valid in the following years, as long as the respective conditions are met.

Lux Schweiz AG declared the Opting-out on the 19<sup>th</sup> November 2010; at this date, it was formally recorded in the Trade Registry.

Best regards,

**Lux Schweiz AG**

Urs Meier

*Member of the Board of Directors*



**Lux Schweiz AG**  
**Standalone Balance sheet**

	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
<b>ASSETS</b>				
Cash and cash equivalents	-	-	3	2.67
Restricted cash and cash equivalents	15	12.65	15	13.37
Trade receivables	90	75.92	128	114.11
Other receivables	10	8.44	-	-
Inventories	93	78.45	136	121.24
Prepayments and accrued income	-	-	10	8.92
<b>Current assets</b>	<b>208</b>	<b>175.46</b>	<b>292</b>	<b>260.32</b>
Investment	-	-	-	-
Property, plant and equipment	-	-	2	1.78
Intangible assets	-	-	-	-
Deferred tax assets	-	-	-	-
Trade receivables	-	-	12	10.70
Loan to related parties	-	-	-	-
Other non-current assets	-	-	-	-
<b>Non-current assets</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>12.48</b>
<b>TOTAL ASSETS</b>	<b>208</b>	<b>175.46</b>	<b>306</b>	<b>272.80</b>
<b>in TEUR</b>				
<b>LIABILITIES &amp; EQUITY</b>				
Bank overdrafts	42	35.43	58	51.71
Interest bearing bank debts	-	-	-	-
Trade liabilities	17	14.34	44	39.23
Liabilities from A/R refinancing	-	-	-	-
Short-term provisions	121	102.07	-	-
Accrued expenses	-	-	7	6.24
Other current liabilities	21	17.71	60	53.49
<b>Current liabilities</b>	<b>201</b>	<b>169.55</b>	<b>169</b>	<b>150.66</b>
Interest bearing bank debts	-	-	32	28.53
Long term payables from shareholder and related parties	-	-	-	-
Pension provisions	-	-	-	-
Long term provisions	15	12.65	15	13.37
Deferred tax liabilities	-	-	-	-
Other non-current liabilities	-	-	-	-
<b>Non-current liabilities</b>	<b>15</b>	<b>12.65</b>	<b>47</b>	<b>41.90</b>
<b>Total liabilities</b>	<b>216</b>	<b>182.21</b>	<b>216</b>	<b>192.56</b>
Share capital	675	547.20	646	547.20
Capital reserves	118	81.14	113	81.14
Retained Earnings	-801	-619.05	-669	-531.62
Translation reserve	-	-16.04	-	-16.48
Total equity attributable to shareholders of the parent company	-8	-6.75	90	80.24
Minority interests	-	-	-	-
<b>Total equity</b>	<b>-8</b>	<b>-6.75</b>	<b>90</b>	<b>80.24</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>208</b>	<b>175.46</b>	<b>306</b>	<b>272.80</b>

**Lux Schweiz AG**  
**Standalone Balance sheet**

	31.12.2021		31.12.2020	
	TEUR	INR in Lakhs	TEUR	INR in Lakhs
Net sales	580	507.09	673	553.01
Sales commission	-		-	
<b>Total revenues</b>	<b>580</b>	<b>507.09</b>	<b>673</b>	<b>553.01</b>
Cost of goods sold	(147)	(128.52)	(167)	(137.23)
<b>Gross profit</b>	<b>433</b>	<b>378.57</b>	<b>506</b>	<b>415.79</b>
Selling and marketing costs	(440)	(384.69)	(425)	(349.23)
Administrative expenses	(267)	(233.43)	(405)	(332.79)
Other operating income	-	-	3	2.47
Other operating expenses	-	-	-	-
<b>Operating result</b>	<b>(274)</b>	<b>(239.55)</b>	<b>(321)</b>	<b>(263.77)</b>
Exchange difference	(1)	(0.87)	3	2.47
Financial income	(2)	(1.75)	2	1.64
<b>Ordinary result</b>	<b>(277)</b>	<b>(242.18)</b>	<b>(316)</b>	<b>(259.66)</b>
Result from joint ventures	-	-	-	-
Non-operating income/expenses	178	155.62	78	64.09
<b>Profit / (loss) before income tax</b>	<b>(99)</b>	<b>(86.55)</b>	<b>(238)</b>	<b>(195.57)</b>
Income Tax	(1)	(0.87)	(1)	(0.82)
<b>Net result for the year</b>	<b>(100)</b>	<b>(87.43)</b>	<b>(239)</b>	<b>(196.39)</b>

LUX WELITY POLSKA SP.ZO.O.  
(a subsidiary of Lux International AG)

Financial Statements  
For the Year ended December 31, 2021

**DISCLOSURES MADE IN FINANCIAL STATEMENTS UNDER ART. 45 OF THE ACT, APPLYING TO SMALL UNDERTAKINGS TAKING ADVANTAGE OF THE SIMPLIFICATIONS RELATING TO FINANCIAL STATEMENTS**

**Heading in the financial statements**

Reporting period start date: 1st January 2021

Reporting period end date: 31st December 2021

Financial statements prepared on: 31st March 2022

Reporting Code: SprFinJednostkaMalaWZlotych ( SystemCode: SFJMAZ (1) SchemaVersion: 1-2 )

Reporting Method: 1

**Introduction to financial statements as per Annex 5 to the Accounting Act**

**Entity's identification data**

Company name, registered office or place of residence

CompanyName: Lux Welity Polska Spółka z ograniczoną odpowiedzialnością

Registered office

Province: Wielkopolskie

District: City of Poznań

Municipality: City of Poznań

City/town: Poznań

**Address**

**Address:**

Country: PL

Province: Wielkopolskie

District: City of Poznań

Municipality: City of Poznań

Street: Międzyborska

Building No.: 27a

City/town: Poznań

Postcode: 60-162

Post office: Poznań

Tax Identification Number (NIP): 9721302210

National Court Register Number (KRS). This field is mandatory for entities entered in the

National Court Register: 0000796682

**Period covered by the financial statements**

From: 1st January 2021

To: 31st December 2021

Applied simplifications available to small undertakings

Pursuant to the Shareholders' Meeting Resolution of 26th January 2022, the Company has the status of a small undertaking and prepares its financial statements, including:

- a statement of financial position (balance sheet) (Art. 46.5.5)
- a statement of profit or loss (income statement) (Art. 47.4.5)
- notes to the financial statements (Art. 48.4),

in accordance with Annex 5 to the Accounting Act of 29th September 1994 (hereinafter referred to as the "Accounting Act" – Journal of Laws Dz. U. of 2021, item 217).

The Company prepares its income statement using the nature of expense method. The Company does not prepare:

- a statement of cash flows (Art. 48b.5),
- a statement of changes in equity (Art. 48a.4),
- a report on the Company's operations (Art. 49.5).

The Company applies the following simplifications in its accounting records:

- The Company elected not to measure and recognise deferred tax assets and liabilities, as permitted under Art. 37.10 of the Accounting Act,
- The Company does not apply the provisions on special principles for the recognition, valuation methods, scope of disclosures and method of presentation of financial instruments, pursuant to Art. 28b of the Accounting Act,
- The Company classifies leases referred to in Art. 3.4 of the Accounting Act in accordance with the provisions of Art. 3.6 thereof, that is as per the criteria provided for in tax laws,
- The Company does not recognize provisions for future employee benefits.

#### **Going concern basis of accounting**

Information on whether the financial statements were prepared on the assumption that the entity will continue as a going concern in the foreseeable future: true – The financial statements were prepared on the assumption that the entity will continue as a going concern, false – The financial statements were prepared on the assumption that the entity will not continue as a going concern

true

Information on whether any circumstances exist that would indicate a threat to the entity's continuing as a going concern: true – No circumstances exist indicating a threat to the entity's continuing as a going concern; false – Circumstances exist indicating a threat to the entity's continuing as a going concern

true

#### **Accounting policies. Description of the applied accounting policies to the extent left to the entity's discretion under the Act, including:**

##### **Methods of measurement of assets and liabilities (as well as depreciation and amortisation)**

The methods of measurement of assets and liabilities are presented in the Schedule - / Notes to the financial statements /

##### **Determination of financial result**

The financial result was determined using the nature of expense method

##### **Method of preparation of the financial statements**

The financial statements were prepared in accordance with Annex 5 to the Accounting Act

**Balance Sheet as per Annex 5 to the Accounting Act**

	As at the end of the current financial year		As at the end of the previous financial year	
	PLN	INR in lakhs	PLN	INR in lakhs
<b>Total assets</b>	<b>5,70,007.41</b>	<b>104.71</b>	<b>7,09,878.88</b>	<b>138.86</b>
<b>Non-current assets</b>	<b>8,817.40</b>	<b>1.62</b>	<b>22,213.36</b>	<b>4.26</b>
Intangible assets	-	-	-	-
Tangible fixed assets, of which:	8,817.40	1.62	9,943.39	1.95
– property, plant and equipment	8,817.40	1.62	9,943.39	1.95
– property, plant and equipment under construction	-	-	-	-
Long-term receivables	-	-	12,269.97	2.31
Long-term investments, of which:	-	-	-	-
– real property	-	-	-	-
– non-current financial assets	-	-	-	-
Long-term prepayments and accrued income	-	-	-	-
<b>Current assets</b>	<b>5,61,190.01</b>	<b>103.09</b>	<b>6,87,665.52</b>	<b>134.60</b>
Inventories	3,00,628.96	55.23	2,26,784.76	44.40
Short-term receivables, of which:	44,491.45	8.17	38,795.90	7.59
a) trade receivables:	30,680.99	5.64	37,713.71	7.38
– due within 12 months	30,680.99	5.64	37,713.71	7.38
– due in more than 12 months	-	-	-	-
Short-term investments, of which:	2,12,137.63	38.97	4,16,692.31	81.55
a) current financial assets, of which:	2,12,137.63	38.97	4,16,692.31	81.55
– cash in hand and cash at bank	2,03,678.12	37.42	4,10,092.31	80.26
Short-term prepayments and accrued income	3,931.97	0.72	5,392.55	1.06
Called-up share capital not paid	-	-	-	-
Own (treasury) shares	-	-	-	-

**Balance Sheet as per Annex 5 to the Accounting Act**

	As at the end of the current financial year		As at the end of the previous financial year	
	PLN	INR in lakhs	PLN	INR in lakhs
<b>Total equity and liabilities</b>	<b>5,70,007.41</b>	<b>104.71</b>	<b>7,09,878.88</b>	<b>138.86</b>
<b>Equity</b>	<b>(80,410.74)</b>	<b>(14.77)</b>	<b>1,95,732.24</b>	<b>38.32</b>
Share capital	1,00,000.00	18.76	1,00,000.00	18.76
Statutory reserve funds, of which:	-	-	-	-
– share premium	-	-	-	-
Revaluation reserve, of which:	-	-	-	-
– revaluation of fair value	-	-	-	-
Other capital reserves	95,732.24	18.72	13,50,000.00	264.01
Retained earnings (losses) from previous years	(12,54,267.76)	(233.56)	(4,85,000.00)	(88.23)
Net profit (loss)	9,78,124.78	186.23	(7,69,267.76)	(145.33)
Appropriations of net profit during the financial year (negative amount)	-	-	-	-
FCTR		(4.92)		(10.89)
<b>Liabilities and provisions for liabilities and charges</b>	<b>6,50,418.15</b>	<b>119.48</b>	<b>5,14,146.64</b>	<b>100.54</b>
Provisions for liabilities and charges, of which:	-	-	-	-
– Provision for pension and similar benefits	-	-	-	-
Long-term payables, of which:	-	-	-	-
– bank and non-bank borrowings	-	-	-	-
Short-term payables, of which:	6,50,418.15	119.48	5,14,146.64	100.54
a) bank and non-bank borrowings	13,516.71	2.48	43,516.71	8.52
b) trade payables:	4,96,816.41	91.26	3,12,791.74	61.22
– due within 12 months	4,96,816.41	91.26	3,12,791.74	61.22
– due in more than 12 months	-	-	-	-
c) special funds	-	-	-	-
Accruals and deferred income	-	-	-	-

**Income Statement as per Annex 5 to the Accounting Act**  
**Income Statement (by nature of expense)**

	As at the end of the current financial year		As at the end of the previous financial year	
	PLN	INR in lakhs	PLN	INR in lakhs
Net revenue from sales and equivalent revenue	18,40,983	350.51	17,24,649	325.76
Revenue from sales	18,40,983	350.51	17,24,649	325.76
Changes in inventory of finished products (increase – positive amount, decrease – negative)	-	-	-	-
Work performed by entity and capitalised	-	-	-	-
Operating expenses	8,36,863	159.33	25,05,013	473.16
Depreciation and amortisation	689	0.13	1,313	0.25
Consumption of materials and energy	(36,486)	(6.95)	1,61,137	30.44
Third-party services	4,05,223	77.15	7,58,742	143.31
Wages and salaries	(1,52,555)	(29.05)	6,92,261	130.76
Social security and other benefits, of which:	(36,372)	(6.92)	1,71,218	32.34
– retirement pensions	41,937	7.98	75,414	14.24
Other expenses, of which:	6,56,363	124.97	7,20,340	136.06
– cost of goods for resale and materials sold	6,57,304	125.15	6,86,197	129.61
Profit (loss) on sales (A - B)	10,04,120	191.18	(7,80,364)	(147.40)
Other income, of which:	(58,983)	(11.23)	65,296	12.33
– Revaluation (value adjustments) of non-financial assets	-	-	-	-
Other expenses, of which:	11,570	2.20	3,984	0.75
– Revaluation (value adjustments) of non-financial assets	-	-	-	-
Finance income, of which:	8,195	1.56	-	-
Dividends and profit sharing from equity-linked entities, of which:	-	-	-	-
– from related parties in which the entity has equity	-	-	-	-
Interest, of which:	436	0.08	-	-
– from related parties	-	-	-	-
Gain on disposal of financial assets, of which:	-	-	-	-
– in related parties	-	-	-	-
– Revaluation (value adjustments) of financial assets	-	-	-	-
Finance expenses, of which:	(36,364)	(6.92)	50,216	9.52
Interest, of which:	(46,741)	(8.90)	43,880	8.29
– to related parties	(45,144)	(8.60)	42,144	7.96
Loss on disposal of financial assets, of which:	-	-	-	-
– in related parties	-	-	-	-
– Revaluation (value adjustments) of financial assets	-	-	-	-
Profit (loss) before tax (C + D - E + F - G)	9,78,125	186.23	(7,69,268)	(145.33)
Income tax	-	-	-	-
<b>Net profit (loss) (H - I)</b>	<b>9,78,125</b>	<b>186.23</b>	<b>(7,69,268)</b>	<b>(145.33)</b>



**FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**  
**Introduction to financial statements**

**DESCRIPTION OF ADOPTED ACCOUNTING POLICIES,  
INCLUDING METHODS OF MEASUREMENT OF ASSETS AND LIABILITIES  
(INCLUDING DEPRECIATION AND AMORTISATION), DETERMINATION  
OF FINANCIAL RESULT, AND METHOD OF PREPARATION OF THE  
FINANCIAL STATEMENTS, TO THE EXTENT LEFT TO THE ENTITY'S  
DISCRETION UNDER THE ACT**

**1. PRINCIPLES ADOPTED IN THE PREPARATION OF FINANCIAL STATEMENTS**

The financial statements of Lux Welity Polska Sp. z o.o. (hereinafter referred to as the "Company") were drawn up for the reporting period from 1st January to 31st December 2021 using a full comparative method vs the previous year, i.e. they contain financial disclosures for 2021 and for the comparative period from 8th July 2019 to 31st December 2020. The Company launched its business operations in July 2019. The first financial year was extended and covered 18 months.

The Company's financial result for a given financial year includes all revenues earned and attributable to it and the corresponding costs, in accordance with the accrual basis of accounting, the principle of matching of revenues and expenses, and prudent valuation.

Pursuant to the Shareholders' Meeting Resolution of 26th January 2022, Lux Welity Polska Sp. z o.o. has the status of a small undertaking and prepares its financial statements, including:

- a statement of financial position (balance sheet) (Art. 46.5.5)
- a statement of profit or loss (income statement) (Art. 47.4.5)
- notes to the financial statements (Art. 48.4),

in accordance with Annex 5 to the Accounting Act of 29th September 1994 (hereinafter referred to as the "Accounting Act" – Journal of Laws Dz. U. of 2021, item 217).

The Company prepared its income statement using the nature of expense method.

Lux Welity Polska Sp. z o.o. does not prepare:

- a statement of cash flows (Art. 48b.5),
- a statement of changes in equity (Art. 48a.4)

As a small undertaking under the Accounting Act, the Company elected not to prepare a report on the Company's operations (Art. 49.5), and it presented information on share buy-back in Notes to the financial statements.

**1a. Applied simplifications**

**Lux Welity Polska Sp. z o.o.** applies the following simplifications:

- The Company elected not to measure and recognise deferred tax assets and liabilities, as permitted under Art. 37.10 of the Accounting Act,
- The Company does not apply the provisions on special principles for the recognition, valuation methods, scope of disclosures and method of presentation of financial instruments, pursuant to Art. 28b of the Accounting Act,
- The Company classifies leases referred to in Art. 3.4 of the Accounting Act in accordance with the provisions of Art. 3.6 thereof, that is as per the criteria provided for in tax laws,
- The Company does not recognise provisions for future employee benefits.

## **FINANCIAL STATEMENTS of Lux Weluty Polska Sp. z o.o. as at 31st December 2021**

### **Introduction to financial statements**

#### **2. APPLIED ACCOUNTING POLICIES AND METHODS**

The accounting policies adopted in the preparation of the financial statements are in accordance with the provisions of the Accounting Act of 29th September 1994, hereinafter referred to as the "Accounting Act". Individual items of assets and equity and liabilities are measured at actual cost, based on the principle of prudence.

##### **2.1 Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are measured at cost or subsequently carried at revalued amount (on revaluation of property, plant and equipment) less depreciation/amortisation (or accumulated depreciation/amortisation) and impairment losses.

Property, plant and equipment under construction (capital work in progress) is measured at cost or aggregate cost incurred in the course of its construction or acquisition, less impairment losses.

Amortisation or depreciation is charged on a straight-line basis.

In determining the depreciation period and annual depreciation rates, the asset's useful life is taken into account.

Under the simplification referred to in Art. 4.4 of the Accounting Act, items of intangible assets and property, plant and equipment with a value from PLN 1,000.00 to PLN 10,000.00 are amortised and depreciated on a one-off basis when placed in service and accounted for in the month in which the asset is placed in service.

Assets for long-term use with a value below PLN 1,000.00 are charged directly to costs of consumption of materials.

Other intangible assets and property, plant and equipment with an initial value over PLN 10,000.00 are amortised and depreciated on a straight-line basis starting from the month following the month in which the asset is placed in service.

Impairment losses are recognised when it is highly probable that an asset will not bring the expected economic benefits in the foreseeable future, either entirely or partially.

The Company is party to lease contracts under which it uses third-party property, plant and equipment on a fee basis or to derive benefits, for a definite period.

The Company classifies leases referred to in Art. 3.4 of the Accounting Act in accordance with the provisions of Art. 3.6 thereof, that is as per the criteria provided for in tax laws.

##### **2.2 Cash**

Cash in hand and cash at bank is carried at nominal value.

Cash denominated in foreign currencies is carried at nominal value converted into PLN.

As at the reporting date, items of assets denominated in foreign currencies are carried at the mid-rate quoted by the National Bank of Poland for a given currency.

Foreign exchange gains and losses on conversion of cash denominated in foreign currencies into PLN at year-end are recognised under finance income or finance expenses, as appropriate.

## **FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**

### **Introduction to financial statements**

#### **2.3 Short-term investments**

Short-term investments, with the exception of cash and financial instruments, are carried at market price (market value) or at the lower of cost or market price (market value).

#### **2.4 Inventories**

Materials and goods for resale are carried at cost as follows:

Materials purchased for consumption for the Company's own needs are charged to expenses on purchase.

Goods for resale are expensed directly during the year at cost. At the same time, during the year at each month-end (based on the inventory levels derived from the inventory records in Comarch ERP Optima v. 2020.0.1.540) and year-end (based on the results of physical inventory counts), the Company adjusts the cost of goods sold (value of goods sold at cost) and its inventory levels.

#### **2.5 Receivables and payables**

Receivables denominated in PLN are reported at the amount due, in accordance with the principle of prudence (receivables are presented in the balance sheet net of revaluation allowances), and payables denominated in PLN are reported at the amount due.

Receivables and payables denominated in foreign currencies are initially recognised when they arise, at the mid-rate quoted by the National Bank of Poland for a given currency on the preceding day. Foreign exchange gains and losses arising on the date of payment of receivables or payables, resulting from the difference between the exchange rate actually applied or the mid-rate quoted by the National Bank of Poland for a given currency on the preceding day, and the exchange rate on the date when such receivables or payables arose, are charged to finance income or finance expenses (costs of financial transactions), as appropriate.

Any receivables and payables denominated in foreign currencies and outstanding on the reporting date are measured at the mid-rate quoted by the National Bank of Poland for a given currency on that date.

Receivables are subsequently remeasured to account for the probability of their payment by recognising impairment losses where necessary, as per Art. 35B of the Accounting Act. Impairment losses on receivables are recognised in other expenses or finance expenses, respectively, depending on the type of receivables to which the impairment loss relates.

#### **2.6 Own (treasury) shares**

Own (treasury) shares are carried at cost as at the reporting date.

## **FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**

### **Introduction to financial statements**

#### **2.7 Equity**

Share capital is disclosed in the amount entered in the Company's articles of association and in the court register.

Declared but outstanding contributions to equity are disclosed under "Called-up share capital not paid".

Statutory reserve funds are created from profit contributions.

Retained earnings (losses) from previous years reflect undistributed profits or losses brought forward from previous years, as well as effects of adjustments to changes in accounting policies and prior years' errors revealed in the current financial year.

#### **2.8 Prepaid expenses**

If expenditure relating to future reporting periods is incurred, the Company recognises prepayments. These include mainly insurance policies.

#### **2.9 Accrued and deferred income**

The Company's accrued and deferred income includes items provided for in Art. 41.1 and 41.2 of the Accounting Act, in particular: the equivalent of revenues from services to be delivered in future reporting periods; donations of property, plant and equipment received, etc.

#### **2.10 Financial result**

Net revenue from the sale of products, i.e. finished goods and services, is the amount due from customers, net of applicable VAT. Sale is effected upon the receipt of products or services by customers.

Net revenue from the sale of goods for resale and materials is the amount due from customers, net of applicable VAT. Sale is effected upon the transfer of goods for resale or services to customers.

Cost of goods for resale and materials sold is the value of goods and materials sold at cost matched with the corresponding sales revenue.

Other income and expenses are costs incurred or indisputable income earned, not directly related to the entity's principal activity (core business), in accordance with Article 3.1.32 of the Accounting Act.

Finance income and expenses include income earned or expenses incurred on financial operations, in accordance with Article 42.3 of the Accounting Act.

**FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**

**Introduction to financial statements**

**Note 1**

Detailed information on movements in amounts of individual groups of intangible assets, specifying their opening balances at the beginning of the financial year, their increases and decreases due to revaluation, acquisition, disposal and internal movements, and their closing balances at the financial year end, as well as the balances and changes in amortisation or accumulated amortisation

Not applicable – the Company does not report any intangible assets

**Note 2**

The amount of goodwill and goodwill amortisation period, as per Art. 44B.10 of the Accounting Act

Not applicable – the Company does not report any goodwill

**FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**  
**Introduction to financial statements**

Note 3

Detailed information on movements in amounts of individual groups of property, plant and equipment (PP&E), specifying their opening balances at the beginning of the financial year, their increases and

No.	Item	Land, including perpetual usufruct rights	Buildings, premises, titles to premises and civil engineering structures	Plant and equipment	Transport vehicles	Other PP&E	Total PP&E	PP&E under construction (capital work in progress)	Payments on account of PP&E	Total tangible fixed assets
1.	Gross amount as at Jan 1, 2021	-	-	11,256.67	-	-	-	11,256.67	-	11,256.67
	Increase, of which:						876.34	876.34	-	876.34
	– acquisition						876.34	876.34	-	876.34
	– transfer from property, plant and equipment under construction (capital work in progress)									
	– accounting for leases									
	– free-of-charge transfer									
	– contributions in kind									
	– revaluation									
	– internal movements									
	– other									
	Decrease, of which:									
	– liquidation									
	– sale									
	– transfer to property, plant and equipment									
	– free-of-charge transfer									
	– contributions in kind									
	– revaluation\									
	– internal movements									
	– other									
2.	Gross amount as at Dec 31, 2021	-	-	11,256.67	-	-	876.34	12,133.01	-	12,133.01
	INR in Lakhs	-	-	2.07	-	-	0.16	2.23	-	2.23
3.	Accumulated depreciation as at Jan 1, 2021	-	-	1,313.28	-	-	-	1,313.28	-	1,313.28
	Increase			1,125.99			876.34	2,002.33		2,002.33
	Decrease, of which:									
	– liquidation									
	– sale									
	– free-of-charge transfer									
	– contributions in kind									
	– internal movements									
	– other									
4.	Accumulated depreciation as at Dec 31, 2021	-	-	2,439.27	-	-	876.34	3,315.61	-	3,315.61
	INR in Lakhs	-	-	0.45	-	-	0.16	0.61	-	0.61
5.	Impairment losses as at Jan 1 2021									
	Recognition of impairment losses									
	Reversal of impairment loss									
6.	Impairment losses as at Dec 31 2021									
7.	Net amount as at Jan 1, 2021	-	-	9,943.39	-	-	-	9,943.39	-	9,943.39
8.	Net amount as at Dec 31, 2021	-	-	8,817.40	-	-	876.34	8,817.40	-	8,817.40
	INR in Lakhs	-	-	1.62	-	-	0.16	1.62	-	1.62

## **FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**

### **Introduction to financial statements**

#### **Note 4**

Amount of impairment losses on property, plant and equipment recognised during the financial year

The Company did not recognise any impairment losses on property, plant and equipment during the financial year.

#### **Note 5**

Cost of property, plant and equipment under construction (capital work in progress), including interest and foreign exchange gains and losses which increased the cost of property, plant and equipment under construction (capital work in progress) during the financial year

Not reported in the financial year

Specification of property, plant and equipment under construction (capital work in progress)

Not reported in the financial year

#### **Note 6**

Detailed information on movements in amounts of individual groups of long-term investments, specifying their opening balances at the beginning of the financial year, and their increases and decreases due to revaluation or acquisition

Not reported in the financial year

#### **Note 7**

Amount of impairment losses on non-current assets recognised during the financial year (separately for non-current financial and non-financial assets)

No impairment losses on non-current assets were recognised in the financial year (separately for non-current financial and non-financial assets)

#### **Note 8**

Amount of prepaid expenses as a difference between the value of financial assets received and the related amount due

Not reported in the financial year

#### **Note 9**

Structure of non-current (long-term) liabilities as per balance sheet items with the remaining contractual payment term over 5 years from the reporting date, as well as the total amount of liabilities secured on the entity's assets, specifying the type and form of such security instruments

As at 31st December 2021, the Company reported no non-current (long-term) liabilities with the remaining payment term over 5 years from the reporting date

#### **Note 10**

Total amount of contingent liabilities, including guarantees and sureties (also liabilities under promissory notes) provided by the entity and not disclosed in the balance sheet, specifying liabilities secured on the entity's assets and the type and form of such security instruments (information on contingent liabilities relating to retirement pensions and similar benefits as well as liabilities in respect of related parties or associates should be provided separately)

As at 31st December 2021, the Company reported no security instruments established on its assets

## FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021

### Introduction to financial statements

#### Note 11

In a case where assets and liabilities are disclosed under more than one item in the balance sheet, information on links between such items (this applies in particular to the break-down of receivables and payables into a current and non-current portion)

The Company reported no linked items of assets or liabilities

#### Note 12

Interest and foreign exchange differences which increased the price or cost of products in the financial

No interest and foreign exchange differences which increased the price or cost of products were identified in the financial year

#### Note 13

Amount and type of any extraordinary or one-off income or expense items

In the income statement for 2021, the Company did not report any extraordinary or one-off income or expense items

#### Note 14

Assets other than financial instruments which are carried at fair value (for each category of assets other than financial instruments, the entity should specify the fair value as reported in the balance sheet and, as appropriate, the effects of subsequent revaluation recognised in finance income or finance expenses or in revaluation reserve during the reporting period)

Not applicable

#### Note 15

Material assumptions made in determining the fair value of assets other than financial instruments if the data used to determine the fair value does not come from an active market

Not applicable

#### Note 16

Financial instruments or assets other than financial instruments carried at fair value (the extent and nature of derivative instruments reported as current financial assets or current liabilities, including significant terms and conditions that may affect the amount, timing and certainty of future cash flows)

Not applicable

#### Note 17

In a case where financial instruments or assets other than financial instruments are carried at fair value – changes in the revaluation reserve in relation to assets other than financial instruments carried at fair

Not applicable

#### Note 18

Average headcount in the financial year

No.	Item	1 Jan – 31 Dec 2021	8 Jul 2019 – 31 Dec 2020
1.	Women	1.00	1.00
2.	Men	3.00	3.00
	Total	4.00	4.00



## **FINANCIAL STATEMENTS of Lux Welity Polska Sp. z o.o. as at 31st December 2021**

### **Introduction to financial statements**

#### **Note 19**

The amounts of advances and loans made to members of the entity's management, supervisory and administrative bodies, specifying their key terms and conditions, interest terms, and any amounts repaid, written off or forgiven, as well as the amounts of liabilities incurred on such persons' behalf under any guarantees and sureties, specifying total amounts for each category

In the reporting period, the Company did not enter into any transactions with any members of the Management Board, Supervisory Board or administrative bodies, and did not extend any loans to such persons

#### **Note 20**

Significant events subsequent to the reporting date which are not disclosed in these financial statements, and their effect on the entity's assets, financial position and financial performance

After the reporting date and until the date of these financial statements, there were no significant events which had an effect on the Company's assets, financial position and financial performance and which were not disclosed in the balance sheet and income statement

#### **Note 21**

Changes in accounting policies during the financial year which have a material effect on the entity's assets, financial position and financial performance, and changes in the method of preparation of the financial statements, including the reasons for introducing such changes

In 2021, the Company did not change its adopted accounting policies.

The financial statements for the period from 1st January to 31st December 2021 were prepared in accordance with Annex 5 to the Accounting Act, not with Annex 1 thereto (as in the previous year)

#### **Note 22**

Amounts, together with explanatory notes, ensuring comparability of the disclosures in the financial statements for the previous year with the financial statements for the current financial year

These financial statements present financial disclosures for 2021 as well as financial disclosures for the period from 8th July 2019 to 31st December 2020

#### **Note 23**

Name and registered office of the immediate parent and reporting entity of the group of entities which includes the Company as a subsidiary

Not applicable

#### **Note 24**

Information on the entity's own (Treasury) shares – in a case where a small undertaking does not prepare a report on its operations in accordance with Art. 49.5 of the Accounting Act:

- a) The reasons for share buy-back in the financial year,
- b) The number and nominal value of shares acquired and disposed of during the financial year, and if no nominal value can be determined – their carrying amount, as well as the portion of the share capital represented by those shares,
- c) If shares are acquired or disposed of for a consideration – the equivalent of such shares,
- d) The number and nominal value of all shares acquired and retained, and if no nominal value can be determined – their carrying amount, as well as the portion of the share capital represented by those shares

The Company has no own (Treasury) shares

**VOLKART FLEMING SHIPPING & SERVICES LIMITED**  
(a wholly owned subsidiary)

**Financial Statements**  
**For the Year ended March 31, 2022**



408, ManishChambers,  
Sonawala Road,  
Above Axis Bank,  
Goregoan (E),  
Mumbai - 400 063.  
India

## INDEPENDENT AUDITORS' 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 **M/s. Volkart Fleming Shipping & Services Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2022 and the Statement of Profit and Loss and statement of cash flows for the year then ended, the Statement of Changes in Equity for the year then ended and notes to the financial statements, including 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 financial statements give the information required by the Companies Act, 2013 ('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, 2022 and its Loss and 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 (SAs) specified under Section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in *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 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.

#### Information other than the financial statements and auditors' 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 Board's Report including Annexures to 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 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.

### **Responsibilities of Management and Those Charged with Governance for the financial statements**

The Company's Board of Directors are 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 and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

The 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 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.

- 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 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 result 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. 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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the 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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls 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 which would impact its 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 M S K A & Co.  
Chartered Accountants  
Firm Reg. No. 117035W

Krishna Gopal Maheshwari  
Partner  
M. No.: 048555  
UDIN No.: 22048555AJNBPE9773  
Dated: 19/05/2022



408, ManishChambers,  
Sonawala Road,  
Above Axis Bank,  
Goregoan (E),  
Mumbai - 400 063.

**Annexure A referred to in paragraph titled as “Report on other Legal and Regulatory Requirements” of Auditor’s report to the members VOLKART FLEMING SHIPPING & SERVICES LIMITED for the year ended 31<sup>st</sup> March, 2022.**

On the basis of the records produced to us for our verification / perusal. Such checks as we considered appropriate, and in terms of information and explanation given to us on our enquiries, we state that:

**(i) In respect of its Property, Plant and Equipment:**

(a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment. There are no Intangible fixed assets.

(b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items 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 programme, a portion of the fixed assets has been physically verified by the Management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.

(c) According to information and explanations gives 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 Company.

(d) the company has not revalued its Property, Plant and Equipment.

**(ii) In respect of its inventories:**

(a) The Company does not have any inventories. Accordingly, clause 3 (ii) (a) of the Order is not applicable to the Company.

(b) As per information and explanation provided by the Company to us, the Company does not have any sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Accordingly, paragraph 3 (ii) (b) of the Order is not applicable to the Company.

**(iii) Loans given by Company:**

As per information and explanation provided by the Company to us, during the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

As per information and explanation provided by the Company to us, the investments made, and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company’s interest.



As per information and explanation provided by the Company to us, in respect of loans and advances in the nature of loans, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

As per information and explanation provided by the Company to us, there is no overdue amount remaining outstanding as at the year-end. **However, the loan amount of Rs. 1,53,00,00 given to Forbes Technosys Ltd., was impaired in earlier year but the interest income has been booked to the extent of Rs 1,68,304**

As per information and explanation provided by the Company to us, no loan or advance in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

As per information and explanation provided by the Company to us, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) **Loan to Directors and investment by the Company:**

According to the Information and explanation given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of grant of loans, Investments made, guarantees given and security as applicable.

(v) **Deposits:**

The Company has not accepted any deposits from the public. Accordingly, clause 3 (v) of the Order is not applicable to the Company.

(vi) **Cost Records:**

The Central Government has not prescribed maintenance of cost records for the company under sub section (1) of section 148 of the Companies Act, 2013. Accordingly, clause 3 (vi) of the Order is not applicable to the Company.

(vii) **Statutory Dues:**

(a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State insurance, Income Tax, GST and other statutory dues applicable to with the appropriate authorities.

(b) According to the records of the company, there are no dues of income Tax, GST and Cess which have not been deposited with appropriate authorities except as mentioned below:





Name of stature	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	2,54,802**	Nil	A.Y. 2009-10	Income Tax Appellate, Tribunal
Income Tax Act	Income Tax Demands	9,99,382	9,99,382	A.Y. 2015-16	CIT (Appeals)

\*\* Demands adjusted by income tax dept. from refunds due to the Company; appeal filed by Company.

(viii) **Previously unrecorded income:**

As per information and explanation provided by the Company to us, there are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the Audit period in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Hence relevant provision of the Order is not applicable

(ix) **Repayment of Loans:**

According to the records of the Company examined by us and the information and explanation given to us, the Company has not taken any loan or borrowing from banks, government, financial institution and has not issued debentures during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.

(x) **Utilisation of IPO & further public offer:**

The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the years. Accordingly, clause (x) of the Order is not applicable to the Company.

(xi) **Reporting of Fraud:**

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 fraud by the Company or any fraud on the Company by its offices or employees, nor noticed or reported during the audit period.

(xii) **Nidhi Company:**

In our opinion and according to information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to the Nidhi Company. Accordingly, clause 3 (xii) of the Order is not applicable to the Company.



- (xiii) **Related Party Transaction:**  
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 Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) **Internal Audit system:**  
The Company does not have turnover of two hundred crore rupees or more during the preceding financial year; or outstanding loans or borrowings from banks or public financial institutions exceeding one hundred crore rupees or more at any point of time during the preceding financial year. Hence Section 138 is not applicable and so relevant clause is not applicable.
- (xv) **Non – cash Transactions:**  
In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- (xvi) **Register under RBI Act 1934:**  
The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) **Cash losses:**  
The Company has not incurred cash losses in the Audit Period.
- (xviii) **Resignation of statutory auditors:**  
During the year the statutory auditors' had resigned and the incoming statutory auditors has considered the objections, issues or concerns raised by the outgoing auditors.
- (xix) **Material uncertainty on meeting liabilities:**  
According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.  
We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) **Transfer to fund specified under Schedule VII of Companies Act, 2013:**  
There were no amounts which were required to be transferred to fund specified under Schedule VII of Companies Act, 2013.



The company does not have net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year. Hence Section 135 is not applicable and so relevant clause is not applicable.

(xxi) **Qualifications or adverse auditor remarks in other group companies:**

Clause (xxi) of the Order is not applicable to the Company since report is of Standalone Financial Statement.

For **M S K A & Co.**  
Chartered Accountants  
Firm Reg. No. 117035W

Krishna Gopal Maheshwari  
Partner  
M. No.: 048555  
UDIN No.: 22048555AJNBPE9773  
Dated: 19/05/2022

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2022

Particulars	Note No.	As at 31-Mar-22 INR in Thousands	As at 31-Mar-21 INR in Thousands
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, Plant and Equipment	4	56.94	123.90
b Right of use of Asset	31	104.78	-
a) Other Investments	6	391.45	391.45
		<b>391.45</b>	<b>391.45</b>
ii) Other financial assets	9A	15,992.80	15,961.62
		<b>16,384.25</b>	<b>16,353.08</b>
<b>e Tax assets</b>			
i) Current tax assets (net)	18	16,526.31	15,538.38
		<b>16,526.31</b>	<b>15,538.38</b>
<b>Total Non-current assets</b>		<b>33,072.28</b>	<b>32,015.36</b>
<b>2 Current assets</b>			
<b>a Financial Assets:</b>			
i) Trade receivables	7	7.50	-
ii) Cash and cash equivalents	10	1,305.16	1,053.42
iii) Loans	8	-	-
iv) Other financial assets	9B	-	13.48
		<b>1,312.66</b>	<b>1,066.90</b>
b Other current assets	11	1,259.40	210.77
<b>Total Current assets</b>		<b>2,572.06</b>	<b>1,277.67</b>
<b>Total Assets</b>		<b>35,644.34</b>	<b>33,293.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
a Equity share capital	12	5,038.50	5,038.50
b Other equity	13	20,719.96	20,721.29
<b>Total Equity</b>		<b>25,758.46</b>	<b>25,759.79</b>
<b>Liabilities</b>			
<b>1 Non-current liabilities</b>			
i) Lease liability	31	57.46	-
		<b>57.46</b>	<b>-</b>
a Deferred tax liabilities (net)	15	1.10	1.10
<b>Total Non-current liabilities</b>		<b>58.56</b>	<b>1.10</b>
<b>2 Current liabilities</b>			
<b>a Financial liabilities:</b>			
ii) Trade and other payables	17		
a) total outstanding dues of micro enterprises and small enterprises; and		-	37.00
b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,459.90	1,926.21
iii) Lease liability	31	52.23	-
iv) Other financial liabilities	14	5,255.59	2,299.84
		<b>7,767.72</b>	<b>4,263.05</b>
b Current tax liabilities (net)	18	883.48	1,501.11
c Other current liabilities	16	1,176.12	1,767.97
<b>Total Current Liabilities</b>		<b>9,827.32</b>	<b>7,532.12</b>
<b>Total Liabilities</b>		<b>9,885.88</b>	<b>7,533.23</b>
<b>Total Equity and Liabilities</b>		<b>35,644.34</b>	<b>33,293.02</b>

See accompanying notes forming part of the financial statements

As per our report of even date

For M S K A & Co.

Chartered Accountants

Firm Reg No.- 117035W

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_

Krishna Gopal Maheshwari

Partner

Membership No.: 048555

Mumbai, 19th May, 2022

Mumbai, 19th May, 2022

**VOLKART FLEMING SHIPPING & SERVICES LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022**

Particulars	Note No.	Year ended 31-Mar-22 INR in Thousands	Year ended 31-Mar-21 INR in Thousands
I Revenue from operations	19	6,644.71	7,268.80
II Other income	20	218.45	1,493.58
III <b>Total Income (I + II)</b>		<b>6,863.16</b>	<b>8,762.37</b>
IV <b>Expenses:</b>			
Employee benefits expense	21	1,538.57	1,026.65
Finance cost	22	44.91	2.54
Depreciation and amortisation expense	23	119.35	121.80
Other expenses	24A	3,685.66	6,222.30
<b>Total expenses</b>		<b>5,388.49</b>	<b>7,373.29</b>
V <b>Profit / (loss) before exceptional items and tax (III - IV)</b>		<b>1,474.67</b>	<b>1,389.08</b>
VI Exceptional items	24B	-	(34,188.99)
VII <b>Profit / (Loss) before tax (V + VI)</b>		<b>1,474.67</b>	<b>(32,799.91)</b>
VIII <b>Tax expense / (credit):</b>			
Current tax	25	1,476.00	1,515.00
Income tax of prior year	25	-	195.15
Deferred tax	25	-	-
		<b>1,476.00</b>	<b>1,710.15</b>
IX <b>Profit for the year (VII - VIII)</b>		<b>(1.33)</b>	<b>(34,510.06)</b>
X <b>Other Comprehensive Income</b>			
Total Other Comprehensive Income		-	-
XI <b>Total Comprehensive Income for the year (IX + X)</b>		<b>(1.33)</b>	<b>(34,510.06)</b>
XII <b>Earning per equity share :</b>			
Basic and diluted earnings per equity share	27	INR (0.03)	INR (684.93)

See accompanying notes forming part of the financial statements

As per our report of even date

**For M S K A & Co.**

Chartered Accountants

Firm Reg No.- 117035W

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

**Krishna Gopal Maheshwari**

Partner

Membership No.: 048555

Mumbai, 19th May, 2022

Mumbai, 19th May, 2022

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

	Year ended 31-Mar-22 INR in Thousands	Year ended 31-Mar-21 INR in Thousands
Cash flows from operating activities		
<b>Profit / (Loss) before tax</b>	<b>1,474.67</b>	<b>(32,799.91)</b>
<b>Adjustments for -</b>		
Finance costs recognised in profit or loss	44.91	2.54
Depreciation on fixed assets	119.35	121.80
Interest Income	(202.45)	(1,493.58)
Impairment of Investment in Fellow Subsidiary	-	18,000.00
Provision for doubtful Income Tax Assets	-	3,453.51
Provision for doubtful loans and advances	-	15,300.00
Provision for accrued interest	-	888.99
	<u>(38.18)</u>	<u>36,273.28</u>
<b>Operating profit / (loss) before working capital changes</b>	<b>1,436.49</b>	<b>3,473.37</b>
Movements in working capital:		
Decrease / (increase) in trade receivables and other financial assets	(25.20)	617.62
(Increase)/decrease in other assets	(1,048.64)	164.88
Increase / (decrease) in trade payables and other financial liabilities	3,452.44	321.44
Increase / (decrease) in other liabilities	(591.85)	1,440.79
	<u>1,786.76</u>	<u>2,544.74</u>
<b>Cash generated from / (used in) operations</b>	<b>3,223.25</b>	<b>6,018.10</b>
Income taxes paid (net of refunds)	(3,081.55)	(1,388.86)
<b>(a) Net cash generated from / (used in) operating activities</b>	<b>141.69</b>	<b>4,629.25</b>
<b>Cash flows from investing activities:</b>		
Inter-corporate deposits placed with related parties	-	(15,300.00)
Inter-corporate deposits refunded by related parties	-	9,600.00
Investments in bank deposits	-	(599.70)
Redemption/maturity of bank deposits	-	599.70
Interest received	202.45	797.14
	<u>202.45</u>	<u>797.14</u>
<b>(b) Net cash generated from / (used in) investing activities</b>	<b>202.45</b>	<b>(4,902.86)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from short-term borrowings	-	-
Proceeds/(Repayment) of borrowings	-	-
Payment of Lease Liabilities	(60.00)	(60.00)
Interest paid	(32.40)	-
	<u>(92.40)</u>	<u>(60.00)</u>
<b>(c) Net cash generated from / (used in) financing activities</b>	<b>(92.40)</b>	<b>(60.00)</b>
<b>(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)</b>	<b>251.74</b>	<b>(333.62)</b>
<b>(e) Cash and cash equivalents as at the commencement of the year</b>	<b>1,053.42</b>	<b>1,387.04</b>
<b>(f) Cash and cash equivalents as at the end of the year</b>	<b><u>1,305.16</u></b>	<b><u>1,053.42</u></b>

See accompanying notes forming part of the financial statements

As per our report of even date

For M S K A & Co.

Chartered Accountants

Firm Reg No.- 117035W

Krishna Gopal Maheshwari

Partner

Membership No.: 048555

Mumbai, 19th May, 2022

NIRMAL JAGAWAT \_\_\_\_\_ Chairperson

RAVINDER PREM \_\_\_\_\_ } Directors

PANKAJ KHATTAR \_\_\_\_\_ }

Mumbai, 19th May, 2022

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### Statement of changes in equity for the period ended 31st March, 2022

A. Equity share capital	<u>No. of Shares</u>	<u>Amount</u> INR in Thousands
Balance at 1st April, 2020	50	5,039
Changes in equity share capital during the year	-	-
<b>Balance at 31st March, 2021</b>	<b>50</b>	<b>5,039</b>
Changes in equity share capital during the year	-	-
<b>Balance at 31st March, 2022</b>	<b>50</b>	<b>5,039</b>

### B. Other Equity

	<u>Reserves and surplus</u>			<u>Total Other Equity</u>
	<u>General reserve</u>	<u>Retained earnings</u>	<u>Capital Redemption Reserve</u>	
	INR in Thousands	INR in Thousands	INR in Thousands	INR in Thousands
<b>Balance as at 31.03.2020</b>	<b>7,004.81</b>	<b>42,378.73</b>	<b>2,961.50</b>	<b>52,345.03</b>
Profit/(loss) for the year	-	2,886.32	-	2,886.32
<b>Balance as at 31.03.2021</b>	<b>7,004.81</b>	<b>10,754.99</b>	<b>2,961.50</b>	<b>20,721.29</b>
Profit/(loss) for the year		(1.33)		(1.33)
<b>Balance as at 31.03.2022</b>	<b>7,004.81</b>	<b>10,753.65</b>	<b>2,961.50</b>	<b>20,719.96</b>

### See accompanying notes forming part of the financial statements

As per our report of even date

**For M S K A & Co.**

Chartered Accountants

Firm Reg No.- 117035W

NIRMAL JAGAWAT \_\_\_\_\_ *Chairperson*

RAVINDER PREM \_\_\_\_\_ } *Directors*

PANKAJ KHATTAR \_\_\_\_\_ }

**Krishna Gopal Maheshwari**

Partner

Membership No.: 048555

Mumbai, 19th May, 2022

Mumbai, 19th May, 2022

**VOLKART FLEMING SHIPPING & SERVICES LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022 - Continued**

**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 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.



# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 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).

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 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 AMENDMENTS TO INDIAN ACCOUNTING STANDARDS:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

#### i) Ind AS 103 - Business Combinations:

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

#### ii) Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

#### iii) Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

#### iv) Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

#### v) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

#### vi) Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 4. Property, Plant and Equipment

INR in Thousands

	As at 31st Mar., 2022	As at 31st Mar., 2022
	Office equipment	Total
<b>Cost or Deemed cost</b>		
<b>Balance at Beginning of the year</b>	334.79	334.79
Additions	53.36	53.36
Disposal	-	-
<b>Balance at End of the period</b>	<b>388.16</b>	<b>388.16</b>
<b>Accumulated depreciation and impairment</b>		
<b>Balance at Beginning of the year</b>	210.89	210.89
Eliminated on disposals of assets	-	-
Depreciation expense	66.96	66.96
<b>Balance at End of the period</b>	<b>277.85</b>	<b>277.85</b>
<b>Carrying Amount</b>		
<b>Balance at Beginning of the year</b>	123.90	123.90
Addition	-	-
Disposal	-	-
Depreciation expense	66.96	66.96
<b>Balance at End of the period</b>	<b>56.94</b>	<b>56.94</b>

INR in Thousands

	As at 31st Mar., 2021	As at 31st Mar., 2021
	Office equipment	Total
<b>Cost or Deemed cost</b>		
<b>Balance at Beginning of the year</b>	334.79	334.79
Additions	-	-
Disposal	-	-
<b>Balance at End of the period</b>	<b>334.79</b>	<b>334.79</b>
<b>Accumulated depreciation and impairment</b>		
<b>Balance at Beginning of the year</b>	143.94	143.94
Eliminated on disposals of assets	-	-
Depreciation expense	66.96	66.96
<b>Balance at End of the period</b>	<b>210.89</b>	<b>210.89</b>
<b>Carrying Amount</b>	-	-
<b>Balance at Beginning of the year</b>	190.86	190.86
Addition	-	-
Disposal	-	-
Depreciation expense	66.96	66.96
<b>Balance at End of the period</b>	<b>123.90</b>	<b>123.90</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 5. Investment property

INR in Thousands

	As at 31st Mar., 2022	As at 31st Mar., 2021
Completed investment properties	-	-
<b>Total</b>	-	-
<b>Cost or Deemed Cost</b>	<b>As at 31st Mar., 2022</b>	<b>As at 31st Mar., 2021</b>
Balance at beginning of year	3.11	3.11
Additions		
Disposals		
Other transfers		
Effect of foreign currency exchange differences		
Other changes		
Property reclassified as held for sale		
<b>Balance at end of year</b>	<b>3.11</b>	<b>3.11</b>
<b>Accumulated depreciation and impairment</b>	<b>As at 31st Mar., 2022</b>	<b>As at 31st Mar., 2021</b>
Balance at beginning of year	3.11	3.11
Additions		
Disposals		
Other transfers		
Effect of foreign currency exchange differences		
Other changes		
Property reclassified as held for sale		
<b>Balance at end of year</b>	<b>3.11</b>	<b>3.11</b>

#### 5.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2022 and 31st March, 2021 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi a, independent valuers not related to the Company. V.S. Modi is 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, 2022 and 31st March, 2021 are as follows:

#### As at 31st Mar., 2022

INR in Thousands

Particulars	Level 3
New Delhi - Building	86,100.00
Karnataka - Building	16,000.00
Maharashtra - Building	1,48,447.50
<b>Total</b>	<b>2,50,547.50</b>

#### As at 31st Mar., 2021

INR in Thousands

Particulars	Level 3
New Delhi - Building	82,750.00
Karnataka - Building	15,000.00
Maharashtra - Building	1,22,774.50
<b>Total</b>	<b>2,20,524.50</b>

#### 5.2 Note on Investment property direct expenses included in other expenses:-

INR in Thousands

	<b>As at 31st Mar., 2022</b>	<b>As at 31st Mar., 2021</b>
Direct operating expenses arising from investment property that generated rental income during the year	1,568.93	1,241.70
Direct operating expenses arising from investment property that did not generate rental income during the year	351.24	853.97
<b>Total</b>	<b>1,920.17</b>	<b>2,095.66</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 6. Other investments

### Other Non Current Investments

Particulars	As at 31st Mar., 2022		As at 31st Mar., 2021	
	Qty	Amount	Qty	Amount
	In Thousands	INR in Thousands	In Thousands	INR in Thousands
<b>Unquoted Investments (all fully paid) (other than trade investments)</b>				
(i) <b>Investments in Carmel Properties Pvt. Ltd. held at Cost ( since it is towards investment property refer note no. 1 below) :-</b>				
(a) Equity shares of Rs. 10 each	1.13	2.50	1.13	2.50
(b) Irredeemable debentures of Rs. 100 each	3.09	388.95	3.09	388.95
<b>Total (i)</b>	4.21	391.45	4.21	391.45
(ii) <b>Investments in Forbes Technosys Limited at cost (Fellow subsidiary)</b>				
(a) 10% Optionally Redeemable compulsory Convertible, Non Cumulative Preference Shares of Rs. 10 each in Forbes Technosys Limited	2,000.00	20,000.00	2,000.00	20,000.00
<b>Total (ii)</b>	2,000.00	20,000.00	2,000.00	20,000.00
<b>TOTAL AGGREGATE UNQUOTED INVESTMENTS (A)</b>	<b>2,004.21</b>	<b>20,391.45</b>	<b>2,004.21</b>	<b>20,391.45</b>
<b>TOTAL INVESTMENTS</b>	<b>2,004.21</b>	<b>20,391.45</b>	<b>2,004.21</b>	<b>20,391.45</b>
Less : Aggregate amount of impairment in value of investments (B)	-	20,000.00	-	20,000.00
<b>TOTAL INVESTMENTS CARRYING VALUE (A) - (B)</b>		<b>391.45</b>		<b>391.45</b>

Aggregate market value of quoted investments

-

#### Note 1:-

(Carmel property is a residential flat at Mumbai, market value as at 31.03.2022 is Rs.10,06,24,000/-, 31.03.2021 is Rs. 9,88,03,500/- as per valuation report issued by V.S.Modi Associates, Chartered Engineer, Govt. Approved Valuers, Mumbai )

#### .1A. Category-wise other investments – as per Ind AS 109 classification

Particulars	INR in Thousands	
	As at	As at
	31st Mar., 2022	31st Mar., 2021
<b>Financial assets carried at amortised cost</b>		
Equity Instruments	2.50	2.50
Preference Instruments	-	18,000.00
Debentures	388.95	388.95
Sub Total	<b>391.45</b>	<b>18,391.45</b>
Total	<b>391.45</b>	<b>18,391.45</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

INR in Thousands

### 7. Trade receivables

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Unsecured, considered good	7.50	-
<b>Total</b>	<b>7.50</b>	<b>-</b>

### 8. Loans

INR in Thousands

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Loans (Inter-Corporate Deposit) to related parties</b>		
- Unsecured, considered good	-	-
- Doubtful	15,300.00	15,300.00
Less : Allowance for bad and doubtful loans	(15,300.00)	15,300.00
<b>Total</b>	<b>-</b>	<b>-</b>

### 9. Other financial assets

#### 9A. Other financial assets - Non current

INR in Thousands

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Security deposits</b>		
- Unsecured, considered good	15,361.93	15,361.93
<b>sub total (a)</b>	<b>15,361.93</b>	<b>15,361.93</b>
<b>b) Balance held as Deposits with banks with remaining maturity period of more than 12 months</b>	<b>630.87</b>	<b>599.70</b>
<b>Total</b>	<b>15,992.80</b>	<b>15,961.62</b>

#### 9B. Other financial assets - Current

INR in Thousands

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>a) Accruals:</b>		
i) Interest accrued on Loan given to related parties	-	-
ii) Interest Accrued on Deposits with Banks	-	5.55
iii) Interest accrued on Loan given to related parties- Doubtful	2,403.69	888.99
Less : Allowance for doubtful interest	(2,403.69)	(888.99)
<b>sub total (a)</b>	<b>-</b>	<b>5.54</b>
<b>b) Contractually reimbursable expenses to related parties</b>		
- Secured, considered good	-	-
- Unsecured, considered good	-	7.93
<b>sub total (b)</b>	<b>-</b>	<b>7.93</b>
<b>Total</b>	<b>-</b>	<b>13.48</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 10. 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	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Balances with Banks</b>		
a) In current accounts	1,305.16	1,053.42
b) Deposits accounts (with original maturity upto 3 months)	-	-
	<u>1,305.16</u>	<u>1,053.42</u>
<b>Cash on hand</b>	-	-
<b>Cash and cash equivalents as per balance sheet</b>	<u>1,305.16</u>	<u>1,053.42</u>

### 11. Other assets - Current

	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Advances for supply of goods and services		
- Unsecured, considered good	1,000.00	-
b) Balances with statutory / government authorities		
- Unsecured, considered good	259.40	210.77
<b>Total</b>	<u>1,259.40</u>	<u>210.77</u>

**VOLKART FLEMING SHIPPING & SERVICES LIMITED**

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

INR in Thousands

**Sundry Debtors Ageing**

Particulars	Party Name	Less Than 6 Months	6 Months- 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
i) Undisputed Trade Receivables (Considered Good)		-	-	-	-	-	-
	Bank of Baroda	7.50	-	-	-	-	7.50
	<b>Total</b>	<b>7.50</b>	-	-	-	-	<b>7.50</b>
ii) Undisputed Trade Receivables (Considered Doubtful)							NA
iii) Disputed Trade Receivables (Considered good)							NA
iv) Disputed Trade Receivables (Considered Doubtful)							NA

**Sundry Credits Ageing**

Particulars	Party Name	Less Than 6 Months	6 Months- 1 Year	1-2 Year	2-3 Year	More than 3 Year	Total
i) Undisputed Trade Payables (Considered Good)		-	-	-	-	-	-
	EDIFICE ERECTION PRIVATE LTD.	48.60	-	-	-	-	48.60
	Carmel Properties Pvt Ltd	52.73	-	-	-	-	52.73
	R.D.Sethna Scholarship Fund	5.00	-	-	-	-	5.00
	Secretary N.D.M.C., Newdelhi	875.93	-	-	-	-	875.93
	BRIJESH KR.YADAV	-	9.00	-	-	-	9.00
	Surendra Investigation Services	27.22	-	-	-	-	27.22
	SUPER CHILLER	32.76	-	-	-	-	32.76
	RUSTOM NANABHOY JEEJEEBHOY	-	-	-	10.49	-	10.49
	CAMPBELL PROPERTIES & HOSPITALITY SERVICES LIM	8.70	-	-	-	-	8.70
	FORBES AND COMPANY LTD.	69.55	-	-	-	-	69.55
	Accurate Concret - Provision	145.10	-	-	-	-	145.10
	Best Undertaking - Provision	30.50	-	-	-	-	30.50
	MAZAGAON GLOBAL CO. OP HSG. SOC. Provision	21.60	-	-	-	-	21.60
	MCGM - Provision	6.50	-	-	-	-	6.50
	Surendra Investigation Services - Provision	23.47	-	-	-	-	23.47
	Hoshang Lashkari - Provision	971.50	-	-	-	-	971.50
	Shahnaz Bajig - Provision	68.75	-	-	-	-	68.75
	MSKA & Co - Provision	40.00	-	-	-	-	40.00
	Kaushal Manish & Co. Provisioin	12.50	-	-	-	-	12.50
	<b>Total</b>	<b>2,440.41</b>	<b>9.00</b>	-	<b>10.49</b>	-	<b>2,459.89</b>
ii) Undisputed Trade Payables (Considered Doubtful)							NA
iii) Disputed Trade Payables (Considered good)							NA
iv) Disputed Trade Payables (Considered Doubtful)							NA



# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 12. Equity Share Capital

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Equity shares of Rs. 10 each	5,038.50	5,038.50
<b>Total</b>	<b>5,038.50</b>	<b>5,038.50</b>
<b>Authorised Share capital :</b>		
1,00,000 fully paid equity shares of Rs. 100 each	10,000.00	10,000.00
<b>Issued and subscribed capital comprises:</b>		
50,385 fully paid equity shares of Rs. 100 each	5,038.50	5,038.50
	<b>5,038.50</b>	<b>5,038.50</b>

### 12.1 Fully paid equity shares

Particulars	INR in Thousands	
	Number of shares In Thousands	Share capital (Amount)
Balance at April 1, 2020	50.39	5,038.50
Movements	-	-
Balance at March 31, 2021	50.39	5,038.50
Movements	-	-
<b>Balance at March 31, 2022</b>	<b>50.39</b>	<b>5,038.50</b>

Fully paid equity shares, which have a par value of Rs.100, carry one vote per share and carry a right to dividends.

### 12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares in thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Balance at the beginning of the period	50.39	50.39
The holding company	-	-
<b>Total</b>	<b>50.39</b>	<b>50.39</b>

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

Particulars	As at 31st Mar., 2022		As at 31st Mar., 2021	
	Number of shares held in thousands	% holding in the class of shares	Number of shares held in thousands	% holding in the class of shares
<b>Fully paid equity shares</b>				
Forbes & Company Limited	50.39	100.00	50.39	100.00
<b>Total</b>	<b>50.39</b>	<b>100.00</b>	<b>50.39</b>	<b>100.00</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 13. Other equity

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) General reserve	7,004.81	7,004.81
b) Retained earnings	10,753.65	10,754.99
c) Capital redemption reserve	2,961.50	2,961.50
<b>Total</b>	<b>20,719.96</b>	<b>20,721.29</b>

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>13.1 General reserve (Refer Note 1 )</b>		
Balance at beginning of the year	7,004.81	7,004.81
Movements	-	-
<b>Balance at end of the year</b>	<b>7,004.81</b>	<b>7,004.81</b>

**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	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>13.2 Retained earnings</b>		
Balance at beginning of year	10,754.99	45,265.04
Profit/(Loss) attributable to owners of the Company	(1.33)	(34,510.06)
<b>Balance at end of the year</b>	<b>10,753.65</b>	<b>10,754.99</b>

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>13.3 Capital redemption reserve</b>		
Balance at beginning of the year	2,961.50	2,961.50
Movements	-	-
<b>Balance at end of the year</b>	<b>2,961.50</b>	<b>2,961.50</b>
<b>Total</b>	<b>20,719.96</b>	<b>20,721.29</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 14. Other financial liabilities

INR in Thousands

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Others :-		
i) Security deposits	5,255.59	2,299.84
<b>Total</b>	<b>5,255.59</b>	<b>2,299.84</b>

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

## 15. Deferred tax balances

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

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
Deferred tax assets	-	-
Deferred tax liabilities	1.10	1.10
<b>Net</b>	<b>(1.10)</b>	<b>(1.10)</b>

### Current Year ( 2021-22)

INR in Thousands

Particulars	Opening balance	Utilisation	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>			
a) Property, plant and equipment	(1.10)	-	(1.10)
<b>Total (A) ...</b>	<b>(1.10)</b>	<b>-</b>	<b>(1.10)</b>
b) Others (MAT Credit)	-	-	-
<b>Total (B) ...</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B) ...</b>	<b>(1.10)</b>	<b>-</b>	<b>(1.10)</b>

### Previous Year ( 2020-21)

INR in Thousands

Particulars	Opening balance	Recognised in profit or loss	Closing balance
<b>Deferred tax (liabilities)/assets in relation to:</b>			
a) Property, plant and equipment	(1.10)	-	(1.10)
<b>Total (A) ...</b>	<b>(1.10)</b>	<b>-</b>	<b>(1.10)</b>
b) Others (MAT Credit)	-	-	-
<b>Total (B) ...</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B) ...</b>	<b>(1.10)</b>	<b>-</b>	<b>(1.10)</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 16. Other current liabilities

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
a) Advances from Customers	1,060.73	1,676.79
b) Statutory remittances	112.19	87.98
c) Others	3.20	3.20
<b>Total</b>	<b>1,176.12</b>	<b>1,767.97</b>

## 17. Trade payables

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Micro and small enterprises	-	37.00
Others	2,459.90	1,926.21
<b>Total</b>	<b>2,459.90</b>	<b>1,963.21</b>

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.

## 18. Current tax assets and liabilities

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Current tax assets</b>		
Tax refund receivable	16,526.31	15,538.38
	<b>16,526.31</b>	<b>15,538.38</b>
<b>Current tax liabilities</b>		
Income tax payable	883.48	1,501.11
	<b>883.48</b>	<b>1,501.11</b>
Current Tax Assets (current portion)	-	-
Current Tax Assets (non-current portion)	16,526.31	15,538.38

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 19. Revenue from operations

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Other operating revenues		
i) Rent and amenities	6,644.71	7,268.80
<b>Total</b>	<b>6,644.71</b>	<b>7,268.80</b>

### 20. Other Income

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Interest Income		
i) Inter-corporate deposit	170.26	1,389.26
ii) Income Tax refund	-	51.92
iii) Long Term Investments	3.09	3.09
iv) Bank deposits	29.09	49.31
<b>Total (a)</b>	<b>202.45</b>	<b>1,493.58</b>
b) Other Non-Operating Income		
Miscellaneous income	16.00	-
<b>Total (b)</b>	<b>16.00</b>	<b>-</b>
<b>Total</b>	<b>218.45</b>	<b>1,493.58</b>

### 21. Employee benefits expense

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Salaries and Wages	1,538.36	1,026.32
ii) Staff Welfare Expenses	0.21	0.33
<b>Total</b>	<b>1,538.57</b>	<b>1,026.65</b>

### 22. Finance costs

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
(a) Interest costs :-		
i) Interest on loans from related parties	32.40	-
ii) Other interest expense	12.52	2.54
<b>Total (a)</b>	<b>44.91</b>	<b>2.54</b>
<b>Total (a)</b>	<b>44.91</b>	<b>2.54</b>

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 23. Depreciation and amortisation expense

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
i) Depreciation of Property Plant & Equipment	66.96	66.96
ii) Amortisation of ROU Assets- Lease	52.39	54.85
<b>Total</b>	<b>119.35</b>	<b>121.80</b>

### 24. A. Other expenses

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Power and fuel	241.85	92.07
b) Rent and hire charges	20.45	8.88
c) <b>Repairs to :</b>		
i) Buildings	496.48	843.11
ii) Others	48.80	36.11
	545.28	879.22
d) Rates and taxes (excluding taxes on income)	1,682.91	1,321.79
e) Brokerage, commission, discount and other selling expenses	631.44	-
f) Printing & Stationery	0.38	0.35
g) Communication	2.88	6.48
h) Legal and professional charges	165.15	137.11
i) Travelling and conveyance	28.47	12.19
j) Provision for doubtful Income Tax Assets	-	3,453.51
k) Housekeeping Charges	90.00	96.50
l) Security Charges	189.34	150.00
m) Miscellaneous expenses	47.52	24.19
<b>Total (A)</b>	<b>3,645.66</b>	<b>6,182.30</b>
m) <b>To Statutory auditors</b>		
i) For audit	40.00	40.00
ii) For other services	-	-
iii) For reimbursement of expenses	-	-
	40.00	40.00
<b>b) To cost auditors for cost audit</b>	-	-
<b>Total (B)</b>	<b>40.00</b>	<b>40.00</b>
<b>Total (A) + (B)</b>	<b>3,685.66</b>	<b>6,222.30</b>

### B. Exceptional items

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
a) Provision for doubtful loans and advances to related parties	-	(15,300.00)
b) Prov for doubtful Interest on Loan to related parties	-	(888.99)
c) Reversal/(Provision) for impairment in the value of investments in fellow subsidiary (Refer Note 33)	-	(18,000.00)
	-	(34,188.99)

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 25. Income taxes relating to continuing operations

#### 25.1 Income tax recognised in profit or loss

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>Current tax</b>		
In respect of the current year	1,476.00	1,515.00
In respect of prior years	-	195.15
	<b>1,476.00</b>	<b>1,710.15</b>
<b>Deferred tax</b>		
In respect of the current year	-	-
	-	-
<b>Total income tax expense recognised in the current year relating to continuing Operations</b>	<b>1,476.00</b>	<b>1,710.15</b>

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

Particulars	INR in Thousands	
	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
<b>Profit before tax from continuing operations</b>	<b>1,474.67</b>	<b>(32,799.91)</b>
Income tax expense calculated at 26% (2019-2020: 26%)	383.41	(8,527.98)
Effect of expense that is non deductible in determining taxable profit	931.29	9,872.66
Effect of tax incentives and concession	(233.10)	(488.11)
Effect of business losses not allowed to be set off	393.82	657.85
Rounding off of tax provision	0.58	0.58
Adjustments recognised in the current year in relation to the current tax of prior years	-	195.15
<b>Income tax expense recognised in profit or loss (relating to continuing operations)</b>	<b>1,476.00</b>	<b>1,710.15</b>

The tax rate used for the 2021-2022 and 2020-2021 reconciliations above is the corporate tax rate of 26% payable by corporate entities in India on taxable profits under the Indian tax law.

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 26. Contingent liabilities

INR in Thousands

Particulars	As at 31st Mar., 2022	As at 31st Mar., 2021
(i) Income Tax Matters	3,151	3,767

### 27. Earnings per share

Particulars	Year ended 31st Mar., 2022	Year ended 31st Mar., 2021
	Rs. per share	Rs. per share
Basic earnings per share	(0.03)	(684.93)
Diluted earnings per share	(0.03)	(684.93)

#### 27.1. 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., 2022	Year ended 31st Mar., 2021
Profit/(Loss) for the year attributable to owners of the Company (A) INR in Thousand	(1.33)	(34,510.06)
Weighted average number of equity shares for the purposes of basic earnings per share (B) in thousands	50.39	50.39
<b>Basic Earnings per share (A/B) RS.</b>	<b>(0.03)</b>	<b>(684.93)</b>

#### 27.2. Diluted earnings per share

There is no dilution of equity shares.



# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 28. Financial instruments

#### 28.1. 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 12 to 13).

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 31.03.2022 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.

#### 28.2 Categories of financial instruments

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
<b>Financial assets</b>		
<b>Measured at Amortised Cost</b>		
Cash and bank balances	1,305.16	1,053.42
Trade Receivable	7.50	-
Loans (Inter Corporate Deposit)	-	-
Other Financial Assets	15,992.80	15,975.10
Investments in Equity Instruments	2.50	2.50
Investments in Preference Shares	-	-
Investments in Debentures	388.95	388.95
	<b>17,696.91</b>	<b>17,419.97</b>
<b>Financial liabilities</b>		
<b>Measured at Amortised Cost</b>		
Trade and Other payables	2,459.90	1,963.21
Other Financial Liabilities	5,255.59	2,299.84
	<b>7,715.49</b>	<b>4,263.05</b>

#### 28.3 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.

#### 28.4 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	31-Mar-22			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	2,459.90			
Other Financial Liabilities	5,255.59			
	<b>7,715.49</b>	-	-	-

Maturities of Financial Liabilities	31-Mar-21			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Trade Payables	1,963.21			
Other Financial Liabilities	2,299.84			
	<b>4,263.05</b>	-	-	-

## VOLKART FLEMING SHIPPING & SERVICES LIMITED

ADDITIONAL DISCLOSURE TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2022

### Disclosure table

Ratios	FY 21-22	FY 20-21	Variation (%)	Reason for variance
Current Ratio (times)	0.26	0.17	9.06%	Current year advance of Rs. 10 lakhs given to vendor which is open on 31/03/22
Debt equity ratio (times)	0	0	0.00%	
Debt service coverage ratio (times)	0	0	0.00%	
Return on equity (%)	(0.000)	-0.03%	0.03%	Preavious year was heavy loss due inpairment of Investments & provision for Loan & interest thereon
Inventory turnover ratio (times)	0	0	0.00%	
Trade receivables turnover ratio (times)	0	0	0.00%	
Trade payable turnover ratio (times)	0	0	0.00%	
Net capital turnover ratio (times)	-0.92	-1.16	24.63%	Current year revenue is decreased by Rs. 6.25 lakhs
Net profit ratio (%)	-0.02%	-474.77%	474.75%	Preavious year was heavy loss due inpairment of Investments & provision for Loan & interest thereon
Return on capital employed (%)	5.90%	5.40%	0.50%	
Return on investment (%)	-0.03%	-684.93%	684.90%	Preavious year was heavy loss due inpairment of Investments & provision for Loan & interest thereon

### General guidance on computation of ratios:

Ratio	Formula
Current ratio (times)	current assets divided by current liabilities. Both numerator and denominator can be identified from the balance sheet.
Debt-equity ratio (times)	Total debt divided by equity. Both numerator and denominator can be identified from the balance sheet
Debt service coverage ratio (times)	earnings available for debt service divided by debt service. Earning for debt service = Net profit after taxes + Non-cash operating expenses like depreciation and other amortisations + Interest +other adjustments like loss on sale of PP&E etc. Debt service = Interest and principal repayments including lease payments.
Return on equity (%)	Net profit after tax reduced by preference dividend (if any) divided by average shareholders equity.
Inventory turnover ratio (times)	COGS divided by average inventory. Alternative computation, if information not available = sales divided by closing inventory.
Trade receivables turnover ratio (times)	Credit sales divided by average trade receivable. Alternative computation, if information not available = total sales divided by closing trade receivable.
Trade payable turnover ratio (times)	Credit purchases divided by average trade payable. Alternative computation, if information not available = total purchases divided by closing trade payable.
Net capital turnover ratio (times)	Sales divided by working capital. working capital =current assets minus current liabilities.
Net profit ratio (%)	Net profit after tax divided by sales.
Return on capital employed (%)	Earnings before interest and tax divided by capital employed. capital employed =tangible net worth + total debt + deferred tax liability.
Return on investment (%)	Could be based on time weighted rate of return (TWRR) method

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 29. Related Party Disclosures

### Current Period

#### (a) Name of the Related Parties and Description of Relationship:

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>
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 Period

#### (a) Name of the Related Parties and Description of Relationship:

<b>Nature of Relationship</b>	<b>Name of Entity</b>	<b>Abbreviation used</b>
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

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

## 29. Related party disclosures (contd.)

INR in Thousands

### (b) Details of related party transactions during the year ended 31st March, 2022 and balances outstanding as at 31st March, 2022:

		Ultimate Holding Company	Holding Company	Parties in A above	Fellow Subsidiaries					Parties in B above	Total
		Shapoorji Pallonji and Company Private Limited	Forbes & Company Limited		Shapoorji Pallonji Forbes Shipping Limited	Forbes Technosys Limited	Campbell Properties & Hospitality Services Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.		
	<b>Outstandings</b>										
1	Trade Payables	-	69.55	69.55	-	-	8.70	-	-	8.70	78.25
2	Interest accrued but not due	-	-	-	-	2,403.69	-	-	-	2,403.69	2,403.69
3	Loan (Inter Corporate Deposit) Receivable	-	-	-	-	15,300.00	-	-	-	15,300.00	15,300.00
4	Prov for Loan with RP - Doubtful	-	-	-	-	(15,300.00)	-	-	-	(15,300.00)	(15,300.00)
5	Prov for Interest on Loan with RP - Doubtful	-	-	-	-	(2,403.69)	-	-	-	(2,403.69)	(2,403.69)
6	Advance received from Customers	1.81	-	-	-	-	-	-	-	-	-
	<b>Nature of Transaction Expenses</b>										
7	Miscellaneous expenses	5.27	0.01	5.28	-	-	90.00	-	72.00	162.00	167.28
8	Interest Expenses	-	-	-	-	-	-	-	32.40	32.40	32.40
	<b>Income</b>										
9	Rent and Other Service Charges	-	-	-	500.11	-	-	-	-	500.11	500.11
10	Interest Income	-	-	-	-	168.30	-	1.96	-	170.26	170.26
11	<b>Other Reimbursements</b>	-	579.26	579.26	5.90	-	-	10.80	-	16.70	595.96
	<b>Finance</b>										
12	Loan Given (Inter Corporate Deposit)	-	-	-	-	-	-	500.00	-	500.00	500.00
13	Repayment of Loan Given (Inter Corporate Deposit)	-	-	-	-	-	-	500.00	-	500.00	500.00
14	Loan Taken (Inter Corporate Deposit)	-	-	-	-	-	-	-	2,000.00	2,000.00	2,000.00
15	Repayment of Loan Taken (Inter Corporate Deposit)	-	-	-	-	-	-	-	2,000.00	2,000.00	2,000.00

**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, 2022 - Continued

### 29. Related party disclosures (contd.)

INR in Thousands

#### (b) Details of related party transactions during the period ended 31st March, 2021 and balances outstanding as at 31st March, 2021:

		Ultimate Holding Company	Holding Company	Parties in A above	Fellow Subsidiaries				Parties in B above	Total
		Shapoorji Pallonji and Company Private Limited	Forbes & Company Limited		Shapoorji Pallonji Forbes Shipping Limited	Forbes Technosys Limited	Campbell Properties & Hospitality	Forbes Campbell Services Ltd.		
	<i>Outstandings</i>									
1	Trade Payables	-	33.00	33.00	-	-	-	-	-	33.00
2	Contractual reimbursement	-	-	-	-	-	7.93	-	7.93	7.93
3	Interest accrued but not due	-	-	-	-	888.99	-	-	888.99	888.99
4	Inter Corporate Deposit Receivable	-	-	-	-	15,300.00	-	-	15,300.00	15,300.00
5	Prov for Loan with RP - Doubtful	-	-	-	-	(15,300.00)	-	-	(15,300.00)	(15,300.00)
6	Prov for Interest on Loan with RP - Doubtful	-	-	-	-	(888.99)	-	-	(888.99)	(888.99)
	<i>Nature of Transaction</i>									
7	Sales / Services Services Rendered	-	-	-	-	-	-	-	-	-
	<i>Expenses</i>									
8	Miscellaneous expenses	20.41	0.01	20.42	-	-	90.00	150.00	240.00	260.42
9	Impairment of Investment in Fellow Subsidiary	-	-	-	-	18,000.00	-	-	18,000.00	18,000.00
10	Prov for Loan with RP - Doubtful	-	-	-	-	15,300.00	-	-	15,300.00	15,300.00
11	Prov for Interest on Loan with RP - Doubtful	-	-	-	-	888.99	-	-	888.99	888.99
	<i>Income</i>									
12	Rent and Other Service Charges	-	-	-	2,000.45	-	-	-	2,000.45	2,000.45
13	Interest Income	-	-	-	428.19	961.07	-	-	1,389.26	1,389.26
14	Other Reimbursements	-	424.83	424.83	-	-	24.02	-	24.02	448.86
	<i>Finance</i>									
15	Loan Given (Inter Corporate Deposit)	-	-	-	-	15,300.00	-	-	15,300.00	15,300.00
16	Repayment of Loan Given (Inter Corporate Deposit)	-	-	-	9,600.00	-	-	-	9,600.00	9,600.00

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, 2022 - Continued

INR in Thousands

### 30. Particulars of loan given / Investments made / guarantees given, as required by clause (4) of Section 186 of the Companies Act, 2013

Sr. No.	Name	During the Year		Closing Balance	Period	Rate of Interest	Purpose
		Given	Returned				
<b>Investment</b>							
1	Forbes Technosys Limited **	-	-	-	N.A	N.A	General
		-	-	-	N.A	N.A	Corporate
<b>Loans (Inter Corporate Deposit) given</b>							
2	Shapoorji Pallonji Forbes Shipping Limited	-	-	-	N.A	N.A	General
		-	-	-	N.A	N.A	Corporate
3	Forbes Technosys Limited **	-	-	15,300.00	N.A	11%	General
		-	-	15,300.00	N.A	11%	Corporate

\*\* Investments & Loans fully impaired

Figures in Italics are Previous Year's Figures

# VOLKART FLEMING SHIPPING & SERVICES LIMITED

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

### 31. Leases

(a) 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	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Gross carrying Amount	3.11	3.11
Accumulated Depreciation	3.11	3.11
Depreciation for the year	-	-

(b) Operating Lease: Company as lessee

Information in respect of leases for which right- of use of assets and corresponding lease liabilities have been recognised are as follows:

Particulars	INR in Thousands	
	As at 31st Mar., 2022	As at 31st Mar., 2021
Additions to Rights-of-use of assets during the year (Commercial premises)	157.18	54.85
Deletion to Rights-of-use of assets during the year (Commercial premises)	-	-
Amortisation of right-of-use of assets during the year	52.39	54.85
Interest Expenses (unwinding of discount) on lease liabilities	12.52	2.54
Total Cash outflows in respect of leases (including short term leases)	60.00	60.00
Carrying amount right-of-use of assets at year end (commercial premises)	104.78	-

(c) Lease Liability recognised as at 1st April-2021

INR in Thousands	
Current Lease liability	52.23
Non Current Lease liability	57.46
	109.69

### 32. Micro, Small and Medium Enterprises

On the basis of responses received against enquiries made by the Company, there is an amount of Rs. NIL/- 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.

33. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

### 34. Segment reporting

The Company is only engaged in Real Estate business and there are no reportable segments as per IND AS 108 'Operating Segments.

35. Previous year's figures have been regrouped wherever necessary.

As per our report of even date

**For M S K A & Co.**

Chartered Accountants

Firm Reg No.- 117035W

NIRMAL JAGAWAT \_\_\_\_\_

Chairperson

RAVINDER PREM \_\_\_\_\_

Directors

PANKAJ KHATTAR \_\_\_\_\_

**Krishna Gopal Maheshwari**

Partner

Membership No.: 048555

Mumbai, 19th May, 2022

Mumbai, 19th May, 2022