Forbes & Company Limited

Registered Office: Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001
Telephone No: +91 22 6135 8900, **Fax No:** +91 22 6135 8901
CIN: L17110MH1919PLC000628
Website: www.forbes.co.in **Email:** investor.relations@forbes.co.in

NOTICE OF THE MEETING OF THE UNSECURED CREDITORS OF FORBES & COMPANY LIMITED CONVENED IN ACCORDANCE WITH THE ORDER OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

MEETING:

Day	Tuesday
Date	October 31, 2023
Time	2.00 P.M. (IST)
Venue	Through Video Conferencing **('VC')**/Other Audio-Visual Means **('OAVM')** (Deemed venue would be Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001).

REMOTE E-VOTING PRIOR TO THE MEETING:

Commencing on	Friday, October 27, 2023 at 9.00 a.m. (IST)
Ending on	Monday, October 30, 2023 at 5.00 p.m. (IST)

IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI
COMPANY SCHEME APPLICATION CA (CAA)/196/MB-V/20233

In the matter of the Companies Act, 2013; AND
In the matter Companies Act, 2013 (18 of 2013) and Sections 230- 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016;
AND
In the matter of Scheme of Arrangement between FORBES & COMPANY LIMITED, the Demerged Company and FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED, the Resulting Company and their respective shareholders

Forbes & Company Limited
(CIN: L17110MH1919PLC000628)
A Company incorporated under the provisions of the Indian Companies Act, 1913, having its Registered Office at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001 } Applicant Company

FORM NO. CAA. 2
[Pursuant to Section 230 (3) and Rule 6 and 7)]
CA (CAA)/196/MB-V/2023

FORBES & COMPANY LIMITED

…….. Applicant Company or FCL/ Demerged Company

Notice of Meeting of the Unsecured Creditors of Forbes & Company Limited convened in accordance with the Order of the Hon'ble National Company Law Tribunal, Mumbai Bench

To,

The Unsecured Creditors of Forbes & Company Limited

TAKE NOTICE that by the Order dated September 27, 2023 in the above mentioned Company Scheme Application ('Order'), the Hon'ble National Company Law Tribunal, Mumbai Bench (**'Hon'ble Tribunal'** or **'NCLT'**) has directed inter alia that a meeting of the Unsecured Creditors of the Applicant Company be convened and held to consider and, if thought fit, to approve the proposed Scheme of Arrangement between Forbes & Company Limited, Forbes Precision Tools and Machine Parts Limited and their respective Shareholders ('Scheme') under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') along with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and Master Circular No SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India. The Scheme, if approved by the Unsecured Creditors, will be subject to the subsequent approval of the Hon'ble Tribunal and such other approvals, permissions and sanctions of regulatory or other authorities, as may be necessary.

TAKE FURTHER NOTICE that in pursuance of the Order and as directed therein, a meeting of the Unsecured Creditors of the Applicant Company will be held on **Tuesday, October 31, 2023 at 02.00 p.m. (IST)** ('**Meeting**') will be held through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 ("Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), General Circular No. 09/2023 dated September 25, 2023 and other circulars, issued by the Ministry of Corporate Affairs (MCA Circular), and Secretarial Standard on General Meetings as issued by the Institute of Company Secretaries of India ('SS-2'), at which day, date and time, you are requested to attend. **The deemed venue of the Meeting shall be registered office of the Company.**

TAKE FURTHER NOTICE that a copy of the Scheme, Notice and the Explanatory Statement under Sections 230(3), 232(1), 232(2) and 102 of the Act read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and other annexures as stated in the Index including the Share Entitlement Report are enclosed herewith. A copy of this Notice and the accompanying documents will be placed on the website of the Applicant Company at www.forbes.co.in and will also be available on the website of BSE Limited ('**BSE**') at www.bseindia.com and also on the website of National Securities Depository Limited ('**NSDL**') at www.evoting.nsdl.com. The Applicant Company will furnish a copy of the Scheme together with a copy of the Explanatory Statement, free of charge, within one day of any requisition in this regard being made by any Unsecured Creditor, to the Applicant Company by email at investor.relations@forbes.co.in.

The Scheme and the said Explanatory Statement can also be obtained on any day (except Saturday, Sunday and public holidays by the Central/ State/local authorities, if any) from the Registered Office of the Applicant Company at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001 between 10.00 a.m. to 3.00 p.m. upto the date of the Meeting.

A copy of the Explanatory Statement, under Sections 230(3), 232(1), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, the Scheme and the other enclosures as indicated in the Index are enclosed herewith.

TAKE FURTHER NOTICE that the Hon'ble Tribunal has appointed Mr. Mahesh Chelaram Tahilyani, Managing Director (DIN: 01423084) failing him, Mr. Nirmal Jagawat, Chief Financial Officer, of the Applicant Company to be the Chairperson of the Meeting.

TAKE FURTHER NOTICE that the Hon'ble Tribunal has appointed Mr. Bipin B Shah & Co., Chartered Accountant having address at – Flat no. 1003, B-wing, Shree Swami Samarth, LJ Road, Dadar – West Mumbai - 400016 as the Scrutinizer of the Meeting.

The voting rights of the Unsecured Creditors shall be in proportion to the amount outstanding from the Applicant Company as on the close of business hours of March 31, 2023. The Applicant Company has appointed NSDL for providing remote e-voting as well as e-voting facility for the meeting of the Unsecured Creditors to consider and approve the Scheme by passing the below mentioned resolution. Unsecured Creditors may refer to the 'Notes' to this Notice for further details on remote e-voting prior to and during the Meeting.

Since this Meeting is being held pursuant to the Order through VC/OAVM, the requirement of physical attendance of Unsecured Creditors has been dispensed with. Accordingly, the facility for appointment of proxies by the Unsecured Creditors will not be available for this meeting and hence proxy form, attendance slip and route map of the Meeting are not annexed to this Notice.

Unsecured Creditors are requested to consider, and if thought fit, to pass with requisite majority, the following resolution:

*"**Resolved that** pursuant to the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), the rules and regulations made thereunder and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to necessary approval / consents / sanctions and permissions of the shareholders of the Company, sanction of the National Company Law Tribunal ("Tribunal") constituted under the provisions of the Companies Act, 2013, as the case may be or such other competent authority, as may be applicable or any other appropriate authority under the applicable provisions of the Act, as may be applicable, and such other approvals / permissions including the relevant Securities and Exchange Board of India ("SEBI") provisions, BSE Limited ("the BSE") and such other regulatory authorities as may be required under applicable laws, regulations, and guidelines issued by the regulatory authorities, consent of the Unsecured Creditors of the Company be and is hereby accorded to the Scheme of Arrangement between Forbes & Company Limited ("the Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL") and their respective shareholders ("Scheme"), providing, inter alia, demerger of the Demerged Undertaking (as defined in the Scheme) of the Company into FPTL, on a going concern basis, in the present form or with such alterations / modifications as may be approved or imposed or directed by National Company Law Tribunal or any other regulatory authorities, as per the terms and conditions mentioned in the Scheme approved by the Board.*

***Resolved further that** the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Tribunal while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper."*

For Forbes & Company Limited

Mahesh Chelaram Tahilyani
(DIN:01423084)
Chairperson appointed for the Meeting

Place : Mumbai
Date : September 29, 2023

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

NOTES:

1. The Explanatory Statement pursuant to Section 102 read with Sections 230 to 232 of the Act and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 in respect of the business set out above is annexed hereto. All documents referred to in the accompanying Notice and the Explanatory Statement along with the Statutory Registers maintained by the Applicant Company will be available for inspection by the Unsecured Creditors at the Registered Office of the Applicant Company during normal business hours (10.00 a.m. to 3.00 p.m.) on any day (except Saturdays, Sundays and Public Holidays) upto the date of the Meeting.

2. The General Circular No. 09/2023 dated September 25, 2023 and other circulars, issued by the Ministry of Corporate Affairs(MCA Circular) permitted the holding of the General Meetings through VC/OAVM, without the physical presence of the Unsecured Creditors at a common venue. In compliance with the aforesaid circular and in pursuance of the Order dated September 27, 2023 passed by the Hon'ble Tribunal ('Order'), the meeting of the Unsecured Creditors of the Applicant Company is being held on Tuesday, October 31, 2023 at 2.00 p.m. (IST) through VC/OAVM.

3. The Authorised Representative of Institutional shareholders/ body corporate, which is a registered Unsecured Creditor of the Applicant Company, may attend the Meeting provided that a scanned copy (pdf / jpg format) of the certified true copy of the Resolution or the authority letter or power of attorney of the board of directors or other governing body of the body corporate authorizing such representative to attend and vote at the Meeting is deposited with the Company not later than, 48 hours before the meeting.

4. In compliance with the provisions of Section 230 read with Sections 108 of the Act, Rule 6(3)(xi) and Rule 9 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014, Regulation 44 and other applicable provisions of the SEBI Listing Regulations and Master Circular No SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023 issued by the Securities and Exchange Board of India, the Applicant Company has provided the facility of remote e-voting through National Securities Depository Limited (NSDL) so as to enable the Unsecured Creditors to consider and approve the Scheme by way of the aforesaid resolution. Accordingly, voting by Unsecured Creditors of the Applicant Company to the Scheme shall be carried out through remote e-voting system.as well as e-voting at the time of the Meeting. **The remote evoting period commence on Friday, October 27, 2023 (IST) and ends on Monday, October 30, 2023 (5.00 p.m.) (IST).**

5. As per the Order, the quorum for the Meeting shall be as prescribed under Section 103 of the Act. Equity Shareholders or Authorised Representative of Body Corporate/Institutional Shareholders attending the Meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum.

6. Unsecured Creditors can join the Meeting through VC/ OAVM 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Unsecured Creditors will be able to view the proceedings on e-voting website of National Securities Depository Limited ('NSDL') at www.evoting.nsdl.com/

7. In line with the MCA Circulars and as directed in the Order, Notice of the Meeting along with the Explanatory Statement and other documents mentioned in the Index are being sent through electronic mode to those Unsecured Creditors whose email addresses are registered with the Applicant Company/ Depositories. Physical copy will be sent to those whose email address is not registered with the Company. The Notice will be available on the Company's website at www.forbes.co.in/ and may also be accessed from the relevant section of website of BSE Limited at www.bseindia. com/ The Notice will also be available on the website of NSDL at www.evoting.nsdl.com/.

8. The Notice convening the Meeting will be published through an advertisement in the 'Business Standard' in English language and 'Navshakti' in the Marathi language, both having circulation in Mumbai, Maharashtra.

9. As directed by Hon'ble Tribunal, Mr. Bipin B Shah & Co., Chartered Accountant having address at – Flat no. 1003, B-wing, Shree Swami Samarth, LJ road, Dadar – West Mumbai - 400016, has been appointed as the Scrutinizer to scrutinize the e-voting during the meeting and remote e-voting process in a fair and transparent manner.

10. The Scrutinizer shall, within prescribed time, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Applicant Company and make, not later than 48 hours from the conclusion of Meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any to the Chairman or person authorised by him in writing, who shall countersign the same. Thereafter, the Chairman or person authorised by him in writing shall declare the result of the voting forthwith.

11. The result of the Meeting shall be submitted to NCLT by the Chairman of the Meeting or authorized person in the prescribed form along with the Scrutinizer's Report and the same shall be displayed at the Registered

Office of the Applicant Company and its website viz. www.forbes.co.in/ and on the website of NSDL, immediately after submission. Further, the result of the voting shall be reported to BSE Limited.

13. The voting rights of the Unsecured Creditors shall be in proportion to their outstanding in the Applicant Company as on March 31, 2023.

14. The Scheme shall be considered approved by the Unsecured Creditors of the Applicant Company if the resolution mentioned above in the Notice has been approved by majority of persons representing three-fourths in value of the Unsecured Creditors of Applicant Company, present and voting, in terms of Sections 230 to 232 of the Act.

15. Voting Process and other instructions regarding e-voting before and during the meeting and attending meeting are given below:

VOTING BY UNSECURED CREDITORS

A. As directed in the Order, the Applicant Company is providing Unsecured Creditors the facility to exercise their right to vote on the resolution proposed to be considered at the Meeting by remote e-voting by using the electronic voting system provided by NSDL.

B. INSTRUCTIONS FOR E-VOTING DURING THE MEETING

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.

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

4. **Your Login id and password details casting your vote electronically and for attending the Meeting of Creditors through VC/ OAVM are attached in the pdf file enclosed herewith. Please note that the password to open the pdf file is the unique id mentioned above or the first time the system will ask to reset your password**

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

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

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

8. You will be able to see the EVEN no. of the company.

9. Click on "EVEN" of company to cast your vote.

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

11. Cast your vote by selecting appropriate options i.e. assent or dissent, and click on "Submit" and also "Confirm" when prompted.

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

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

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

15. If you face any problems/experience any difficulty or If you forgot your password please feel free to contact toll free number 022 - 48867000 / 022 – 24997000 or contact on email id evoting@nsdl.co.in

The instructions for Unsecured Creditors for e-voting on the day of the Unsecured Creditors Meeting are as under:

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

2) Only those Creditors, who will be present in the Unsecured Creditors meeting through VC/ OAVM facility and have not casted their vote on the Resolution through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the Unsecured Meeting.

Instructions for Unsecured Creditors for attending the Unsecured Creditors Meeting through VC/OAVM are as under:

Unsecured Creditors will be provided with a facility to attend the Unsecured Creditors Meeting through VC/OAVM through the NSDL e-Voting system. Unsecured Creditors may access the same at https://www.evoting.nsdl.com under shareholder / member login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder / member login where the EVEN of Company will be displayed.

IN THE NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT MUMBAI
COMPANY SCHEME APPLICATION CA (CAA)/196/MB-V/2023

IN THE NATIONAL COMPANY LAW TRIBUNAL, BENCH AT MUMBAI
COMPANY SCHEME APPLICATION CA (CAA)/196/MB-V/2023
In the matter of the Companies Act, 2013; AND
In the matter of Companies Act, 2013 (18 of 2013) and Section 230-232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016;
AND
In the matter of Scheme of Arrangement between FORBES & COMPANY LIMITED, the Demerged Company and FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED, the Resulting Company and their respective shareholders

Forbes & Company Limited
(CIN: L17110MH1919PLC000628)
A Company incorporated under the provisions of the Indian Companies Act, 1913, having its Registered Office at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001 } Applicant Company

EXPLANATORY STATEMENT TO THE NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF FORBES & COMPANY LIMITED

1. This is a statement accompanying the Notice convening the meeting of the Unsecured Creditors of the Applicant Company, pursuant to the Order dated September 27, 2023 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench (**'Hon'ble Tribunal'/'NCLT'**) in the Company Scheme Application referred to hereinabove. A meeting is being called, convened and conducted on Tuesday, October 31, 2023 at 2.00 p.m. p.m. (IST) for the purpose of considering, and if thought fit, approving the arrangement embodied in the Scheme of Arrangement between the Applicant Company, Forbes & Company Limited, and Forbes Precision Tools and Machine Parts Limited and their respective shareholders ('**Scheme**') which inter alia envisages demerger of Forbes & Company Limited ('FCL' or 'the Demerged Company') and Forbes Precision Tools and Machine Parts Limited ('FPTL' or 'the Resulting Company') and their respective Shareholders. The Scheme further envisages cancellation of the paid-up share capital currently held by the Demerged Company in the Resulting Company and listing of the new shares to be issued by the Resulting Company to all the existing shareholders of the Demerged Company under section 230-232 and other applicable provisions of the Companies Act, 2013.

2. The draft Scheme was placed before the Audit Committee and Independent Directors of the Applicant Company at its respective meetings held on September 26, 2022. On the basis of its evaluation and independent judgement and consideration of the Share Entitlement Report dated September 23, 2022 submitted by Aashay Hasmukh Dedhia, Registered Valuer, Fairness opinion certificate dated September 26, 2022 issued by Sundae Capital Advisors Private Limited, a SEBI Registered Merchant Banker, audited financials of the Applicant Company, the Audit Committee and Independent Directors recommended the Scheme to the Board of Directors of the Applicant Company.

3. A copy of the Scheme setting out in detail the terms and conditions of the scheme, inter alia, providing for the proposed Scheme of Arrangement between Forbes & Company Limited, and Forbes Precision Tools and Machine Parts Limited and their respective Shareholders, which has been approved by the Board of Directors of the Applicant Company on September 26, 2022 is attached to this explanatory statement and Forms part of this statement as **Annexure A**.

4. Forbes & Company Limited, a listed public limited company, in compliance with the applicable SEBI Circulars, presented the draft Scheme, along with all requisite information and documents to BSE Limited ('BSE'), for obtaining necessary approval from the Securities and Exchange Board of India ("SEBI") through BSE. The approval in form of the Observation letter dated July 7, 2023 received from BSE is enclosed herewith as **Annexure B**.

5. As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE on March 8, 2023. The report indicate that the Applicant Company received NIL complaints. A copy of the aforementioned Complaints Report is enclosed as **Annexure C** to this notice.

6. **Background of Forbes & Company Limited ("Applicant Company") is as under:**

   a) **Forbes & Company Limited** (hereinafter referred to as "FCL" or "the Demerged Company") was incorporated in the State of Maharashtra on November 18, 1919 as 'The Gokak Mills Limited' under the Indian Companies Act, 1913. Thereafter, the name was changed to 'Gokak Patel Volkart Limited' on December 31, 1973. Further, on September 28, 1992, its name was changed to 'Forbes Gokak Limited' and finally, on October 25, 2007, it was changed to its current name 'Forbes & Company Limited'. It has its Corporate Identity Number as L17110MH1919PLC000628. The Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001 and having PAN: AAACF1765A and Email ID of its authorised representative is rupa.khanna@forbes.co.in.

   b) The Share Capital of FCL, as on March 31, 2023 was as under:

Particulars	**Amount in (₹)**
Authorised Capital	
4,30,50,000 Equity Shares of ₹ 10/- each	43,05,00,000
Total	**43,05,00,000**
Issued, Subscribed & Paid-up Share Capital	
1,28,98,616 Fully Paid - up Equity Shares of ₹ 10/- each	12,89,86,160
Total	**12,89,86,160**

   Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of FCL.

   c) The main object of FCL is set out in the Memorandum of Association inter alia are as under:

      a) "To acquire and take over as a going concern the undertaking and all or any of the assets and liabilities of "The Gokak Water Power and Manufacturing Company Limited", incorporated in the United Kingdom in 1885 and with a view thereto to enter into and carry into effect, with or without modification, the Agreement referred to in Clause 4 of the accompanying Articles of Association made between Gokak Cotton Mills Limited, of the one part and the Company of the other part, in the terms of the draft, a copy of which has, for the purpose of identification, been endorsed by one of the subscribers hereto.

      b) To enter into, modify and carry into effect any supplemental or additional agreement or agreements with the Secretary of State for India in Council, or with any other corporation of person in relation to or in connection with any of the matters the subject of the agreement specified in the preceding sub-clause, or of the indenture of lease dated May 28, 1884, in that agreement referred to.

      c) To make with the said Secretary of State, or with any other corporation or person, and to modify and carry into effect any contract with reference to any land, water, water-rights, or supply or use of water-power in India, or the construction, maintenance, management, improvement, use of working of any weir, sluice, dam, embankment, water-course, water-channel, mill-race, railway, tramway, road, bridge, ferry, building, erection or works in India, or the providing, working or use of any boats or vehicles for any of the purposes of the Company"

   d) There has been a change in the objects clause of FCL during the last five years. The shareholders at their meeting held on December 23, 2019 has amended Object Clause to include new clause under Object (26A) and new sub-clause 6 to 9 were inserted immediately after sub-clause (5A) and revision in numbering of clauses was carried out pursuant to Order dated January 25, 2022 passed by the Hon'ble National Company Law Tribunal, Mumbai Bench in the Company Scheme Petition No. C.P.(CAA)/209/MB-IV/2021 in Company Scheme Application No. C.A.(CAA)/55/MB-IV/2021.

e) The Shareholding Pattern of FCL as on June 30, 2023 is as under:

Sr. No.	Category	Equity Shares (Nos)	Face Value per share (₹)	Shareholding (%)
(A)	**Promoter & Promoter Group**			
1	**Indian**			
(a)	Bodies Corporate	95,25,691	10	73.85
	Sub Total (A)(1)	**95,25,691**	**10**	**73.85**
2	**Foreign**	Nil	Nil	Nil
	Sub Total (A)(2)	**Nil**	**Nil**	**Nil**
	Total Shareholding of Promoter and Promoter Group [A= (A)(1) + (A)(2)]	**95,25,691**	**10**	**73.85**
(B)	**Public Shareholding**			
1	**Institutions (Domestic)**			
(a)	Mutual Funds	142	10	0.00
(b)	Financial Institutions/ Banks	12,990	10	0.10
	Sub Total (B)(1)	**13,132**	**10**	**0.10**
2	**Institutions (Foreign)**			
(a)	**Foreign Portfolio Investors Category I**	**14,85,361**	**10**	**11.52**
	Sub Total (B)(2)	**14,85,361**	**10**	**11.52**
3	**Central Government/ State Government(s)/ President of India**			
(a)	**State Government / Governor**	**1,10,343**	**10**	**0.86**
	Sub Total (B)(3)	**1,10,343**	**10**	**0.86**
4	**Non-Institutions**			
(a)	Directors and their relatives	1,532	10	0.01
(b)	Key Managerial Personnel	1	10	0.00
(c)	(i) Individual shareholders holding nominal share capital up to ₹2 Lacs	10,99,124	10	8.52
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lacs	2,24,849	10	1.74
(d)	Any Other (specify)			
	Bodies Corporate	1,39,090	10	1.08
	Clearing Members	669	10	0.01
	HUF	1,01,836	10	0.79
	Non-Resident Indians (NRI)	29,120	10	0.23
	IEPF	1,63,408	10	1.27
	Trusts	652	10	0.01
	LLP	3,808	10	0.03
	Foreign Nationals	0	10	0.00
	Sub Total (B)(4)	**17,64,089**	10	**13.68**
	Total Public Shareholding [(B) = (B)(1) + (B)(2) + (B)(3) + (B)(4)]	**33,72,925**	**10**	**26.15**
(C)	**Non-Promoter Non-Public**	**-**	**-**	**-**
	Total Shareholding [(A)+(B)+(C)]	**1,28,98,616**	**10**	**100.00**

f) The details of the Promoter and Promoter Group of FCL along with their addresses as well as shareholding as on June 30, 2023 are as follows:

Sr. No.	Name	Address	Equity Shares (Nos)	Shareholding (%)
1	Shapoorji Pallonji and Company Private Limited	70 Nagindas Master Road Fort Mumbai - 400 023	93,59,293	72.56
2	Forbes Campbell Finance Limited	Forbes' Building, Charanjit Rai Marg, Fort, Mumbai - 400 001	1,66,398	1.29

g) The details of the Directors of FCL along with their addresses as well as shareholding as on June 30, 2023 are as follows:

Sr. No.	Name	Designation	Address	Equity Shares (Nos)	Shareholding (%)
1	Shapoorji Pallonji Mistry Non-Executive, Non-Independent	Chairman	3ET N. 32, LA Reserve Bloc A, 5 Avenue Princesse Grace, 98000 Monaco.	Nil	Nil
2	Mahesh Chelaram Tahilyani Executive Director	Managing Director	802, Tower 5, Rustomjee Ozone CHS Ltd, Goregaon Mulund Link Road, Behind Goregaon Telephone Exchange, Goregaon (W) Mumbai 400 062.	Nil	Nil
3	Sivanandhan Dhanushkodi Non-Executive, Independent	Director	1803, B Wing, Ashoka Towers, Dr. Babasaheb Ambedkar Road, Parel. Mumbai 400 012.	Nil	Nil
4	Jai Laxmikant Mavani Non-Executive, Non-Independent	Director	1702, Building 5, Raheja Classique New Link Road, Andheri(W), Mumbai 400053.	1,532	0.01
5	Rani Jadhav Ajit Non-Executive, Independent	Director	409, Shalaka, Maharshi Karve Road, Opp Cooperage Football Ground, Nariman Point, Mumbai 400 021.	Nil	Nil
6	Nikhil Jaisinh Bhatia Non-Executive, Independent	Director	5/B, Keval Mahal 64, Marine Drive, Near Wankhede Stadium, Mumbai 400 020.	Nil	Nil

h) The Board of Directors of FCL have at their meeting held on September 26, 2022 unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

Sr. No.	Name of Directors	Voted in favour/ against / did not participate or vote
1	Shapoorji Pallonji Mistry	Not Applicable. Not present in the Meeting
2	Mahesh Chelaram Tahilyani	In Favour
3	Sivanandhan Dhanushkodi	In Favour
4	Jai Laxmikant Mavani	In Favour
5	Rani Jadhav Ajit	In Favour
6	Nikhil Bhatia	In Favour

7. **Background of Forbes Precision Tools and Machine Parts Limited is as under:**

a) **Forbes Precision Tools and Machine Parts Limited** (hereinafter referred to as 'FPTL' or 'the Resulting Company'), a wholly owned subsidiary of FCL, was incorporated as a Public limited company in the State of Maharashtra on August 30, 2022. It has Corporate Identity Number U29256MH2022PLC389649. The Registered Office is situated at Forbes Building, Charanjit Rai Marg Fort Mumbai, MH 400001, India and having PAN: AAFCF2015G and email ID of its authorised representative is nirmal.jagawat@forbes.co.in.

b) The Share Capital of FPTL, as on June 30, 2023 was as under:

Particulars	**Amount in (₹)**
Authorised Share Capital	
50,000 Equity Shares of ₹ 10/- each	5,00,000
Total	**5,00,000**
Issued, Subscribed and paid-up Share Capital	
50,000 Equity Shares of ₹ 10/- each	5,00,000
Total	**5,00,000**

Subsequent to the above date, there has been no change in the authorized, issued, subscribed and paid-up share capital of FPTL.

c) The main object of FPTL is set out in the Memorandum of Association. The main objects inter alia are as under:

"To carry on business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities"

d) There has been no change in the objects clause of FPTL since its incorporation on August 30, 2022.

e) The Shareholding Pattern of FPTL as on June 30, 2023 is as under:

Name of the Shareholders	**No. of Shares**
Promoter:	
Forbes & Company Limited	49,994
Others:	
Rupa Pawan Khanna Nominee of Forbes & Company Limited	1
Ravinder Chander Prem Nominee of Forbes & Company Limited	1
Atul Keshaorao Sadawarte Nominee of Forbes & Company Limited	1
Prashant Kamlakant Pradhan Nominee of Forbes & Company Limited	1
Pavan Radhesham Somani Nominee of Forbes & Company Limited	1
Aruna Anand Kelkar Nominee of Forbes & Company Limited	1
Total	**50,000**

f) The details of the Directors of FPTL along with their addresses as well as shareholding as on June 30, 2023 are as follows:

Sr. No.	Name	Designation	Address	Equity Shares (Nos)	Shareholding (%)
1	Nirmal Chandmal Jagawat	Director	B-5 Irma Co-operative Society Ltd, Sai Baba Mandir Road, Near Radhekrishna School, Borivali (West), Mumbai -400092.	Nil	Nil
2	Ravinder Chander Prem	Director	A 7, Alakhnanda CHS, plot No. 24/B, Sec 14, Opp PKC Hospital, Navi Mumbai, Thane- 400703.	1*	Nil
3	Rupa Pawan Khanna	Director	C/21, Gold Star Datta Mandir Road, Dahanukar Wadi Kandivali (W) Mumbai 400067.	1*	Nil

*Nominee of Forbes & Company Limited

g) The Board of Directors of FPTL have at their meeting held on September 26, 2022 unanimously approved the Scheme. The Directors who voted in favor of / against / did not participate or vote in relation to the Scheme are as follows:

Sr. No.	Name of Directors	Voted in favour/ against / did not participate or vote
1	Nirmal Chandmal Jagawat	In Favour
2	Ravinder Chander Prem	In Favour
3	Rupa Pawan Khanna	In Favour

8. **Relationship subsisting between the Companies involved in the Scheme**

Forbes Precision Tools and Machine Parts Limited is a wholly owned subsidiary of Forbes & Company Limited.

9. **Rationale of the Scheme**

i. Forbes & Company Limited, a company listed on the BSE Limited, is engaged in the business of:

a) Precision Tools business

b) Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business;

c) Real Estate Business, and

d) Investment into Subsidiaries, Joint Ventures and Associates

ii. Forbes Precision Tools and Machine Parts Limited, a wholly owned subsidiary of Forbes & Company Limited is incorporated on August 30, 2022 to carry on the business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities.

iii. The nature of risk, competition, challenges, opportunities and business methods for Precision Tools business is separate and distinct from the Remaining Business carried out by the Demerged Company.

iv. Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Precision Tools business from the Remaining Business.

v. The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on the business segment under separate entity.

vi. The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance its respective businesses by streamlining operations and its management structure ensuring better and more efficient management control.

vii. Bifurcation of these businesses will enable unlocking value of its verticals thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.

viii. Thus, the demerger pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

a) Create a sector focused Company;

b) Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;

c) Allowing managements of the each of the Demerged Company and the Resulting Company to pursue independent growth strategies;

d) Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;

e) Independent collaboration and expansion.

ix. The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

10. **Details of Share Entitlement Ratio Report**

The Share Entitlement Ratio Report dated September 23, 2022 issued by Aashay Hasmukh Dedhia, Registered Valuer, is annexed and marked as **Annexure D.** Copy of the Fairness Opinion Certificate issued by Sundae Capital Advisors Private Limited, a SEBI Registered Merchant Banker, dated September 26, 2022 is annexed and marked as **Annexure E**.

11. **Salient features of the Scheme**

The Salient features of the scheme of arrangement are as under:

a) Act : "Act" means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

b) Appointed Date: "Appointed Date" means April 1, 2023 or such other date as may be fixed or approved by National Company Law Tribunal, Mumbai Bench.

c) Board of Directors or Board: "Board of Directors" or "Board" means the Board of Directors of the Demerged Company and the Resulting Company, as the case may be, and shall include a duly constituted committee thereof.

d) Effective Date: "Effective Date" means the date on which the certified copy of the order sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, is filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company .

e) FCL: "FCL" or "Demerged Company" means Forbes & Company Limited having its Corporate Identity Number as L17110MH1919PLC000628, having registered office at Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400001.

f) FPTL: "FPTL" or "Resulting Company" means Forbes Precision Tools and Machine Parts Limited having its Corporate Identity Number as U29256MH2022PLC389649, having registered office at Forbes' Building, Charanjit Rai Marg Fort Mumbai - 400001.

g) Demerged Undertaking: "Demerged Undertaking" means the Precision Tools business of the Demerged Company, carried on anywhere in India either by itself or through its subsidiaries, inter alia, including the business activity of manufacturing & trading of cutting tools, HSS Taps, HPT, Rotary Burrs, HSS Drills, CST Dies, Spring Washer, Threading Tools and Carbide Tools, and such other precision tools and assets, properties, liabilities and obligations of whatsoever nature and kind and wheresoever situated, of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the division identified as the Precision Tools business of the Demerged Company and shall include the following without limitation:

a) all assets and properties, whether movable or immovable (as per Annexure 1), tangible or intangible, whether corporeal or incorporeal, leasehold land including leasehold land at Waluj, Aurangabad (together with the building and structure standing thereupon), plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, bills of exchange, other fixed assets, trademarks, brands, including brands such as 'Totem', 'BBBB', 'Forbes Kendo', etc., development rights, outstanding loans and advances including advances given for purchase of immovable property, recoverable in cash or in kind or for value to be received inventory and work in progress wherever situated pertaining to the Demerged Undertaking;

b) assets other than those referred to in sub-clauses (a) above being general in nature, if any, of the Demerged Company be allocated to the Demerged Undertaking in the manner as may be decided by the Board of the Demerged Company.

c) all present and future liabilities arising out of the activities or operations of the Demerged Undertaking including loans, debts, current liabilities and provisions, duties and obligations relatable to the Demerged Undertaking;

d) without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:

   i. all properties constituting, relating to or required for the Demerged Undertaking wherever situated, including all fixed assets, work in progress, current assets, plant and machinery, equipment, funds, offices, office equipment, accessories, computer, fixtures, fittings, furniture, vehicles and other goods, in respect of the Demerged Undertaking; including leasehold improvements, all other tangible and intangible assets of whatsoever nature, lease and hire purchase contracts, contracts, engagements, arrangements, rights, assignment/ sub-letting of tenancy rights with or without the consent of the landlord, as may be required by law, leave and license agreements, titles, interests, benefits and advantages of any nature whatsoever and where-so-ever situated.

   ii. all permits, quotas, rights, entitlements, bids, powers, allotments, authorities, tenders, approvals, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, permissions, including municipal permissions, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals, advance taxes paid tenancies in relation to office and/or residential property for the employees, goodwill, intellectual property, cash balances, the benefit of any deposit, financial assets, belonging to or proposed to be utilized for the Demerged Undertaking, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Undertaking, privileges, all other rights and benefits, lease rights, patents, trademarks, domain names, copyrights, trade name, designs and drawings, plans including building plans, clearances, certificates including commencement certificates issued by any local authorities, domain names and utility models, inventions, and any similar rights and the benefit of any of the foregoing and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government, if any, contracts and arrangements, other records, whether in physical form or electronic form, insurance policies and all other interest in connection with or relating to the Demerged Undertaking;

   iii. all records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former clients and suppliers, clients credit information, clients pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking;

   iv. all contracts, agreements including development agreements, purchase orders / service orders, operation and maintenance contracts, understanding in connection with or pertaining to or relatable to the Demerged Undertaking;

   v. all employees of the Demerged Company employed in and / or relatable to the Demerged Undertaking as identified by the Board of the Demerged Company as on the Effective Date; and

   vi. all earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking.

e) For the purpose of this Scheme, the liabilities pertaining to the Demerged Undertaking means and includes:

   i. all liabilities (including contingent liabilities) arising out of the activities or operation of the Demerged Undertaking including in relation or connection with Taxes or under or in relation to its contracts, other obligations, duties and sums owing;

ii. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Demerged Undertaking;

iii. liabilities other than those referred to in sub-clauses (i) and (ii) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company be allocated to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme.

iv. Whether any particular asset or liability should be included as asset or liability of the Demerged Undertaking or otherwise shall be decided mutually by the Board or any committee thereof of the Demerged Company and the Resulting Company.

h) NCLT: "NCLT" means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Demerged Company and the Resulting Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act.

i) Record Date: "Record Date" means the date fixed by the Board of Directors or a committee thereof of the Resulting Company for the purpose of issue of shares of the Resulting Company to the shareholders of the Demerged Company.

j) Remaining Business: "Remaining Business" means all the undertakings, businesses, activities, operations, assets and liabilities of the Demerged Company other than those comprised in the Demerged Undertaking.

k) Scheme or the Scheme or this Scheme: "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement, in its present form as submitted to the NCLT for approval, with or without any modifications pursuant to Clause 14 of this Scheme, as may be approved or imposed or directed by the NCLT or any other appropriate authority.

l) SEBI Circular: "SEBI Circular" means circulars issued by SEBI being Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

m) Stock Exchange: "Stock Exchange" means BSE Limited.

n) Taxation or Tax or Taxes: "Taxation" or "Tax" or "Taxes" means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company, as the case may be, or any other person and all penalties , charges, costs and interest relating thereto;

o) Transition Period: "Transition period" means period starting from the date immediately after the Appointed Date till the Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

p) Part II – Demerger and Vesting of the Demerged Undertaking into the Resulting Company on a Going Concern basis

4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY

4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking as defined in Clause 1.7, shall pursuant to the provisions of section 232 read with section 230 and other applicable provisions, if any, of the Act, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of the Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.

4.2 Without prejudice to the provisions of Clause 4.1, in respect of such assets and properties of the Demerged Company relating to the Demerged Undertaking, as are moveable in nature, including cash in hand, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of the Resulting Company, without requiring any deed or instrument or conveyance for the same.

4.3 In respect of any movable assets other than those mentioned in Clause 4.2 above, including investments, interests, intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the government, semi-government, local and other authorities and bodies and customers, the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.

4.4 If any asset relating to the Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall, (i) hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and (ii) make reasonable efforts to transfer such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

4.5 All patents, patent rights applications, brands, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to the Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest moneys and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and relatable to the Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company pursuant to the provisions of section 230 to section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of the Resulting Company.

4.6 All the immovable property whether or not included in the books of the Demerged Company pertaining to the Demerged Undertaking, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Resulting Company, with effect from the Appointed Date, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

4.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to the Demerged Undertaking shall, under the provisions of sections 232 read with section 230 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to the Resulting Company and shall become the debts, liabilities and obligations of the Resulting Company which it undertakes to meet, discharge and satisfy and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, advances, liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.8 In so far as the assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to the Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking. The Demerged Company to apply to the authorities for release of such assets and apply to Registrar of Companies for modification of charges, encumbrances created on such assets, if required.

4.9 All assets, estate, rights, title, interest and authorities acquired by the Demerged Company including but not limited to all construction and investments related approvals / permissions, other approvals, etc. that may be received from the various authorities from time to time, after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company with effect from the Effective Date.

4.10 All accrued or unaccrued advance income tax, service tax, sales tax, goods and services tax, any tax deduction / collection at source of any other taxes of any nature, duties, cesses or any other like payments or deductions made by the Demerged Company pertaining to the Demerged Undertaking to any statutory authorities including all or any refunds/ credit/claims relating thereto shall be deemed to have been on account of or paid by the Resulting Company.

5. STAFF, EMPLOYEES AND WORKERS

5.1 Upon the Scheme coming into effect, all staff, employees and workers pertaining to the Demerged Undertaking, including all staff, employees and workers forming part of the Demerged Undertaking in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff, employees and workers of the Resulting Company with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them as a part of the Demerged Undertaking of the Demerged Company immediately preceding the transfer.

5.2 The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with the Demerged Company, relating to superannuation, provident fund and gratuity fund and other funds similar in nature, shall be identified, determined and vested with the respective trusts/ funds of the Resulting Company and such staff, employees and workers shall be deemed to have become members of such trusts/funds of the Resulting Company. Until such time, the Resulting Company in relation to the Demerged Undertaking may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Demerged Undertaking to the relevant funds of the Demerged Company in relation to the Demerged Undertaking.

6. LEGAL PROCEEDINGS

6.1 Upon the Scheme coming into effect, if any suit, appeal or other legal proceedings of whatsoever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Demerger and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to the Demerged Undertaking as if this Scheme had not been made. In the event that the legal proceedings referred to herein require the Demerged Company in relation to the Demerged Undertaking as party thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company in relation to the Demerged Undertaking.

6.2 The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company in relation to the Demerged Undertaking.

6.3 After the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Company in relation to the Demerged Undertaking.

7. DEMERGER NOT TO AFFECT TRANSACTIONS / CONTRACTS OF THE DEMERGED COMPANY IN RELATION TO THE DERMERGED UNDERTAKING

7.1 The Demerger of the Demerged Undertaking of the Demerged Company and the continuance of the said proceedings by or against the Demerged Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by or against the Demerged Company in relation to the Demerged Undertaking after the Appointed Date to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done or executed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

8. CONSIDERATION

8.1 Upon coming into effect of the Scheme and in consideration for Demerger of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares of face value INR 10/- each, credited as fully paid up, to all the equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

4 (Four) fully paid up equity shares of INR 10/- each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date.

8.2 The equity shares shall be issued by the Resulting Company in dematerialized form to those equity shareholders of the Demerged Company who hold shares of the Demerged Company in dematerialized form, into the account in which the Resulting Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares in the Resulting Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Resulting Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.

8.3 The Resulting Company shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares required to be issued and allotted by it under this Scheme.

8.4 Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of section 62 and section 42 of the Companies Act, 2013, and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, as provided in this Scheme.

8.5 The approval of this Scheme by the equity shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

8.6 The shares issued under this clause shall, in compliance with the applicable laws, be listed and admitted to trading on the Stock Exchange pursuant to this Scheme and the relevant SEBI Circular and no lock-in shall be applicable to the shares issued under this clause on account of the post Scheme shareholding pattern of the Resulting Company being exactly similar to the shareholding pattern of the Demerged Company. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the relevant SEBI Circular and applicable laws and promptly take all steps to procure the direct listing of the shares issued by it pursuant to this clause.

8.7 The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange. Further, there shall be no change in the shareholding pattern of the Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

8.8 The equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company and which are held in abeyance, if any under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by the Resulting Company.

8.9 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this

Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the Transition Period.

9. ACCOUNTING TREATMENT

The Resulting Company and the Demerged Company shall account for demerger in their respective books of account as under:

9.1 In the books of the Resulting Company

Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the arrangement in its books of account by applying the principles prescribed in Appendix C (Business combinations of entities under common control) of Indian Accounting Standard (Ind AS) 103, Business Combinations, other accounting principles prescribed under the Companies (India Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India and on the date determined in accordance with Ind AS.

Any matter not dealt with in Clause 9.1 hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.

9.2 In the books of the Demerged Company

Notwithstanding anything to the contrary contained herein, the Demerged Company shall account for transfer of the Demerged Undertaking to the Resulting Company in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS") as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS.

10. CONDUCT OF THE BUSINESS UNTIL EFFECTIVE DATE

With effect from the Appointed Date to the Effective Date:

10.1 The Demerged Company in relation to the Demerged Undertaking undertakes to preserve and carry on the business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
- if the same is expressly permitted by this Scheme; or
- if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

10.2 The Demerged Company in relation to the Demerged Undertaking shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Resulting Company.

10.3 All profits and cash accruing to or losses arising or incurred (including the effect of Taxes if any thereon), by the Demerged Company in relation to the Demerged Undertaking, shall for all purposes, be treated as the profits/ cash, Taxes or losses of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

10.4 All Taxes paid or payable by the Demerged Company in relation to the Demerged Undertaking in respect of the operations and / or profits of the business from the Appointed date till the Effective Date, shall be on account of the Demerged Company in relation to the Demerged Undertaking and in so far as it relates to the Tax payment by the Demerged Company in relation to the Demerged Undertaking in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall in all proceedings be dealt with accordingly.

Any refund under Income Tax Act, 1961 or other applicable laws or regulations dealing with Taxes allocable or related to the business of the Demerged Undertaking and due to the Demerged Company in relation to the Demerged Undertaking consequent to the assessment made on the Demerged Company in relation to the Demerged Undertaking shall also belong to and be received by the Resulting Company.

All taxes benefits of any nature, duties, cesses or any other like payments or deductions available to the Demerged Company in relation to the Demerged Undertaking under any Tax Law up to the Effective Date shall be deemed to have been on account of or paid by the Resulting Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting

Company upon the passing of the order by the NCLT.

11. REDUCTION IN PAID UP SHARE CAPITAL OF THE RESULTING COMPANY AND CANCELLATION OF INTER-COMPANY INVESTMENTS

11.1 The existing share capital i.e. shares held by the shareholders of the Resulting Company viz. the Demerged Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.

11.2 The share certificate(s) in relation to the shares held by the existing shareholders of the Resulting Company (i.e. the Demerged Company), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by the Resulting Company, in lieu of share certificates already held by existing shareholders of the Resulting Company in the Resulting Company.

11.3 The said cancellation of investments held by the Demerged Company in the Resulting Company and the said reduction in the share capital of the Resulting Company shall be adjusted to capital reserve in the books of the Resulting Company and shall be effected as an integral part of the Scheme and the orders of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

11.4 Notwithstanding the reduction of capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name.

12. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

12.1 Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Demerged Company in relation to the Demerged Undertaking is a party subsisting or having effect immediately before the demerger, shall remain in full force and effect against or, as the case may be, in favour of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company in relation to the Demerged Undertaking, the Resulting Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that demerged and vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Demerged Company in relation to the Demerged Undertaking is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Demerged Undertaking to be carried out or performed.

12.2 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities , powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

q) **PART III - General Terms and Conditions**

13. APPLICATION TO NCLT

13.1 The Demerged Company and the Resulting Company shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the NCLT for sanction of this Scheme under the provisions of applicable laws, and shall apply for such approvals as may be required under applicable laws.

13.2 The Demerged Company and the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any appropriate authority, if required, under any applicable laws for such consents and approvals which the Demerged Company and the Resulting Company may require to own the assets and/or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

14. MODIFICATION OR AMENDMENTS TO THE SCHEME

14.1 Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Board of the Demerged Company and the Resulting Company may make modifications or assent to any modifications, alterations or amendments of this Scheme or any conditions which the NCLT and / or any other competent authority may deem fit to direct or impose and the said respective Boards may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the NCLT or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or matters concerned or connected therewith.

14.2 The Board of the Demerged Company and the Resulting Company or through persons authorized by the respective Boards or through sub-committee of the respective Boards in their full and absolute discretion, may withdraw this Scheme or any part of the Scheme prior to the Scheme becoming effective at any time.

15. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to :

15.1 Obtaining no-objection from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);

15.2 The approval by the requisite majorities of the respective members and / or creditors (including but not limited to secured and unsecured) of the Demerged Company and the Resulting Company, as required under the Act and directed by the NCLT.

15.3 The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which such sanction or approval being required.

15.4 The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act.

15.5 The requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

16. OPERATIVE DATE OF THE SCHEME

16.1 The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

17. BINDING EFFECT

17.1 Upon the Scheme becoming effective, the same shall be binding on the Demerged Company and the Resulting Company and all concerned parties without any further act, deed, matter or thing.

18. EFFECT OF NON-RECEIPT OF APPROVALS

18.1 In the event any of the said approvals or sanctions referred to above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Demerged Company and the Resulting Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19. GIVING EFFECT TO THE SCHEME

19.1 For the purpose of giving effect to the Scheme, the Board of Directors of the Demerged Company and the Resulting Company or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.

20. COSTS

20.1 All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company.

THE FEATURES SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE UNSECURED CREDITORS OF THE APPLICANT COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF.

12. **Disclosure about effect of compromise or arrangement on material interest of Directors, Key Managerial Personnel and Debenture Trustee:**

    a) The Directors of the respective Participating Companies may be deemed to be interested in the Scheme only to the extent of their respective shareholding in the respective Participating Companies. The statement indicating the shareholding of the Directors and Key Managerial Personnel in both the Participating Companies is annexed herewith with this notice.

    b) There shall be no material effect of Scheme of Arrangement on any of the Key Managerial Personnel of FCL and FPTL.

    c) There shall be no material effect of Scheme of Arrangement on any of the Debenture Trustee as there are no Debenture Trustees in FCL and FPTL.

13. **The Scheme of Arrangement does not envisage any capital or debt restructuring.**

14. **Amount due to Secured Creditors as on March 31, 2023**

    a. The Amount due to Secured Creditors standing in the books of FCL as on March 31, 2023 is ₹ 12,65,11,730.

    b. There are no Secured Creditors standing in the books of FPTL as on March 31, 2023.

15. **Amount due to Unsecured Creditors as on March 31, 2023**

    a. The Amount due to Unsecured Creditors standing in the books of FCL as on March 31, 2023 is ₹ 281,47,18,885.

    b. The Amount due to Unsecured Creditors standing in the books of FPTL as on March 31, 2023 is ₹ 49,700.

16. **Pre and Post Capital Structure and Shareholding pattern**

    Pursuant to SEBI Circular and the SEBI Listing Regulations, the detailed pre scheme and post scheme (expected) capital structure and shareholding pattern of the companies involved in the Scheme are given herein below. The pre-Scheme capital structure and shareholding pattern of the companies involved in the scheme are provided herewith:

Particulars	**Amount in (₹)**
Authorised Capital	
4,30,50,000 Equity Shares of ₹ 10 each	43,05,00,000
Total	**43,05,00,000**
Issued, Subscribed & Paid-up Share Capital	
1,28,98,616 Fully Paid – Up Equity Shares of ₹ 10 each	12,89,86,160
Total	**12,89,86,160**

a) **Post Scheme Capital Structure of FCL:**

Particulars	**Amount in (₹)**
Authorised Capital	
4,30,50,000 Equity Shares of ₹ 10 each	43,05,00,000
Total	**43,05,00,000**
Issued, Subscribed & Paid-up Share Capital	
1,28,98,616 Fully Paid – Up Equity Shares of ₹ 10 each	12,89,86,160
Total	**12,89,86,160**

b) **Post Scheme Shareholding Pattern of FCL as on June 30, 2023:**

Sr. No.	Category	Equity Shares (Nos)	Face Value per share (₹)	Shareholding (%)
(A)	**Promoter & Promoter Group**			
1	**Indian**			
(a)	Bodies Corporate	95,25,691	10	73.85
	Sub Total (A)(1)	**95,25,691**	**10**	**73.85**
2	**Foreign**	Nil	Nil	Nil
	Sub Total (A)(2)	**Nil**	**Nil**	**Nil**
	Total Shareholding of Promoter and Promoter Group [A=(A) (1)+(A)(2)]	**95,25,691**	**10**	**73.85**
(B)	**Public Shareholding**			
1	**Institutions (Domestic)**			
(a)	Mutual Funds	142	10	0.00
(b)	Financial Institutions / Banks	12,990	10	0.10
	Sub Total (B)(1)	**13,132**	**10**	**0.10**
2	**Institutions (Foreign)**			
(a)	**Foreign Portfolio Investors Category I**	**14,85,361**	**10**	**11.52**
	Sub Total (B)(2)	**14,85,361**	**10**	**11.52**
3	**Central Government/ State Government(s)/ President of India**			
(a)	**State Government / Governor**	**1,10,343**	**10**	**0.86**
	Sub Total (B)(2)	**1,10,343**	**10**	**0.86**
4	**Non-Institutions**			
(a)	Directors and their relatives	1,532	10	0.01
(b)	Key Managerial Personnel	1	10	0.00
(c)	(i) Individual shareholders holding nominal share capital upto ₹ 2 Lacs	10,99,124	10	8.52
	(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 Lacs	2,24,849	10	1.74
(d)	Any Other (specify)			
	Bodies Corporate	1,39,090	10	1.08
	Clearing Members	669	10	0.01
	HUF	1,01,836	10	0.79
	Non-Resident Indians (NRI)	29,120	10	0.23
	IEPF	1,63,408	10	1.27
	Trusts	652	10	0.01
	LLP	3,808	10	0.03
	Foreign Nationals	0	10	0.00
	Sub Total (B)(3)	**17,64,089**	**10**	**13.68**
	Total Public Shareholding [(B) = (B)(1) + (B)(2) + (B)(3) + B(4)]	**33,72,925**	**10**	**26.15**
(C)	**Non-Promoter Non-Public**	**Nil**	**Nil**	**Nil**
	Total Shareholding [(A)+(B)+(C)]	**1,28,98,616**	**10**	**100.00**

c) **Pre Scheme Capital Structure of FPTL:**

Particulars	**Amount in (₹)**
Authorised Capital	
50,000 Equity Shares of ₹ 10 each	5,00,000
Total	**5,00,000**
Issued, Subscribed & Paid-up Share Capital	
50,000 Equity Shares of ₹ 10 each	5,00,000
Total	**5,00,000**

d) **Post Scheme Capital Structure of FPTL:**

Particulars	**Amount in (₹)**
Authorised Capital	
The Resulting Company shall take necessary steps to Increase or alter or re-classify, if necessary, its Authorised Share Capital suitably to enable to issue and allot equity shares to be issued and allotted under this scheme.	
Total	
Issued, Subscribed & Paid-up Share Capital	
5,15,94,464 Equity Shares of ₹ 10 each	51,59,44,640
Total	**51,59,44,640**

e) **Pre Scheme Shareholding Pattern of FPTL as on June 30, 2023:**

Name of the Shareholders	**No. of Shares**
Promoter:	
Forbes & Company Limited	49,994
Others:	
Rupa Pawan Khanna Nominee of Forbes & Company Limited	1
Ravinder Chander Prem Nominee of Forbes & Company Limited	1
Atul Keshaorao Sadawarte Nominee of Forbes & Company Limited	1
Prashant Kamlakant Pradhan Nominee of Forbes & Company Limited	1
Pavan Radhesham Somani Nominee of Forbes & Company Limited	1
Aruna Anand Kelkar Nominee of Forbes & Company Limited	1
Total	**50,000**

f) Post- Scheme Shareholding Pattern of Forbes Precision Tools and Machine Parts Limited

Sr. No	**Category**	**No. of shares**	**Shareholding (%)**
(A)	**Promoter & Promoter Group**		
1	Indian		
(a)	Bodies Corporate	3,81,02,764	73.85
	Sub Total (A)(1)	3,81,02,764	73.85
2	Foreign	-	-
	Sub Total (A)(1)	**-**	**-**
	Total Shareholding of Promoter and Promoter group [A=(A)(1)+(A)(2)]	**3,81,02,764**	**73.85**
(B)	**Public Shareholding**		
1	Institutions		
(a)	Mutual Funds	568	0.00
(b)	Foreign Portfolio Investors	59,41,444	11.52
(c)	Financial Institutions/Banks	51,960	0.10
	Sub Total (B) (1)	**59,93,972**	**11.62**
2	Central Government/State Government(s)/President of India	4,41,372	0.86
	Sub Total (B) (2)	**4,41,372**	**0.86**
3	Non-Institution		
(a)	Directors and their relatives (excluding independent directors and nominee directors)	6128	0.01
(b)	Key Managerial Personnel	4	0.00
(c)	Investor Education and Protection Fund (IEPF)	6,53,632	1.27
(d)	Individual shareholders holding nominal share capital upto Rs. 2 Lacs	43,96,496	8.52
(e)	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	8,99,396	1.74
(f)	Non Resident Indians (NRIs)	1,16,480	0.23
(g)	Bodies Corporate	5,56,360	1.08
(h)	Any Other (specify)		
	HUF	4,07,344	0.79
	Clearing Members	2,676	0.00
	LLP	15,232	0.03
	Trusts	2,608	0.01
	Sub Total (B) (3)	70,56,356	13.67
(C)	**Non Promoter Non Public**	-	-
	Total Shareholding [(A)+(B)+(C)]	**51594464**	**100%**

g) Total turnover of the Demerged Business for the year ended March 31, 2023 is ₹ 205.38 Crores.

h) **Details of pre and post scheme of Assets and Liabilities of FCL (Based on audited figures of 31st March 2023)**

Details of Assets & Liabilities of FCL	**Amount (INR in Cr)**		
Particulars	**Pre-Demerger FCL**	**Demerged Undertaking**	**FCL after Demerger**
Assets			
Property, Plant & Equipment	87.71	85.97	1.74
Other Intangible Assets	1.15	0.97	0.18
Right of Use of Assets	5.31	0.37	4.94
Investment Properties	21.81	-	21.81
Non-current - Financial Assets	91.61	0.82	90.79
Tax Assets	21.04	0.04	21.00
Other Non-Current Assets	4.33	2.30	2.03
Inventories	180.52	31.15	149.37
Trade Receivables	29.24	22.37	6.87
Current – Financial Assets	71.11	3.67	67.44
Other Current Assets	14.37	2.83	11.54
Total Assets	**528.20**	**150.49**	**377.71**
Liabilities			
Non-current – Financial Liabilities	12.81	10.31	2.50
Non-current – Provisions	7.52	-	7.52
Current - Financial Liabilities	53.24	22.20	31.04
Current – Provisions	0.71	0.28	0.43
Other Current liabilities	246.1	7.42	238.68
Total Liabilities	**320.38**	**40.21**	**280.17**

i) **Details of pre and post scheme of Assets and Liabilities of FPTL (Based on audited figures of 31st March 2023)**

Details of Assets & Liabilities of FPTL	**Amount (INR in Cr)**		
Particulars	**Pre Demerger FPTL**	**Demerged Undertaking**	**FPTL after Demerger**
Assets			
Property, Plant & Equipment	-	85.97	85.97
Other Intangible Assets	-	0.97	0.97
Right of Use of Assets	-	0.37	0.37
Investment Properties	-	-	-
Non-current - Financial Assets	-	0.82	0.82
Tax Assets	-	0.04	0.04
Other Non-Current Assets	-	2.30	2.30
Inventories	-	31.15	31.15
Trade Receivables	-	22.37	22.37
Current – Financial Assets	-	3.67	3.67
Other Current Assets	0.05	2.83	2.88
Total Assets	**0.05**	**150.49**	**150.54**
Liabilities			
Non-current – Financial Liabilities	-	10.31	10.31
Current - Financial Liabilities	0.01	22.20	22.21
Current – Provisions	-	0.28	0.28
Other Current liabilities	-	7.42	7.42
Total Liabilities	**0.01**	**40.21**	**40.22**

17. **Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors are as under:**

    As per Annexure I

18. **Effect of the Scheme on various parties**

    Under the Scheme, an arrangement is sought to be entered into between FCL and FPTL (together as "Participating Companies") and their respective equity shareholders.

a) **Directors and Key Managerial Personnel (KMP)**

The Directors, KMP and their respective relatives of the Participating Companies may be affected only to the extent of their shareholding in respective companies and to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the said companies, if any. Save as aforesaid, none of the Directors / KMP of the said companies have any material interest in the Scheme.

Details of the Directors, KMP and their respective relatives with their shareholding in the Participating Companies as on June 30, 2023 are as under:

Forbes & Company Limited

Sr. No.	Name	Designation	Address	Equity Shares (Nos)	Shareholding (%)
1	Shapoorji Pallonji Mistry Non-Executive, Non-Independent	Chairman	3ET N. 32, LA Reserve Bloc A, 5 Avenue Princesse Grace, 98000 Monaco.	Nil	Nil
2	Mahesh Chelaram Tahilyani Non-Independent, Executive	Managing Director	802, Tower 5, Rustomjee Ozone CHS Ltd, Goregaon Mulund Link Road, Behind Goregaon Telephone Exchange, Goregaon (W) Mumbai 400 062.	Nil	Nil
3	Sivanandhan Dhanushkodi Non-Executive, Independent	Director	1803, B Wing, Ashoka Towers, Dr. Babasaheb Ambedkar Road, Parel, Mumbai 400 012.	Nil	Nil
4	Jai Laxmikant Mavani Non-Executive, Non-Independent	Director	1702, Building 5, Raheja Classique New Link Road, Andheri (W), Mumbai 400053.	1,532	0.01
5	Rani Jadhav Ajit Non-Executive, Independent	Director	409, Shalaka,Maharshi Karve Road, Opp Cooperage Football Ground, Nariman Point, Mumbai 400 021.	Nil	Nil
6	Nikhil Bhatia Non-Executive, Independent	Director	5/B, Keval Mahal 64, Marine Drive, Near Wankhede Stadium, Mumbai 400 020.	Nil	Nil

Forbes Precision Tools and Machine Parts Limited

Sr. No.	Name	Designation	Address	Equity Shares (Nos)	Shareholding (%)
1	Nirmal Chandmal Jagawat	Director	B-5 Irma Co-operative Society Ltd, Sai Baba Mandir Road, Near Radhekrishna School, Borivali (West), Mumbai - 400092.	Nil	Nil
2	Ravinder Chander Prem	Director	A 7, Alakhnanda CHS, Plot No. 24/B, Sec. 14, Opp. PKC Hospital, Navi Mumbai, Thane - 400703.	1*	Nil
3	Rupa Pawan Khanna	Director	C/21, Gold Star Datta Mandir Road, Dahanukar Wadi, Kandivali (W) Mumbai - 400067	1*	Nil

* Nominee of Forbes & Company Limited

b) **Promoters and Non-Promoter members:**

- The entire issued, subscribed and paid-up capital of FPTL is held by FCL. Shares held by the shareholders of the Resulting Company viz. the Demerged Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.

- On demerger of demerged undertaking from FCL to FPTL, both the promoter and non-promoter shareholders of FCL will receive shares in FPTL as per terms and conditions, detailed in the Scheme of Arrangement.

- FPTL shall issue its equity shares to the shareholders (promoter and non-promoter) of FCL as per terms and conditions, detailed in the Scheme of Arrangement. Pursuant to the Scheme, there will be a cancellation of equity share capital of the FPTL to the extent of equity share capital held by FCL (Pre-demerger) in FPTL.

c) **Depositors, Debenture Holders, Deposit trustee and**

Debenture trustee

No effect of the Scheme on Depositors, Debenture Holders and Deposit trustee and Debenture trustee since there are no Depositors, Debenture Holders and Deposit trustee and Debenture trustee in the Participating Companies.

d) **Creditors**

Under the Scheme, there is no arrangement with the creditors, either secured or unsecured of the respective Participating Companies. No compromise is offered under the Scheme to any of the creditors of the respective Participating Companies. The liability of the creditors of the respective Participating Companies, under the Scheme, is neither being reduced nor being extinguished.

e) **Employees**

- The Scheme shall in no manner whatsoever affect the terms and conditions of employment of the employees of FCL.

- The Scheme shall in no manner whatsoever affect the terms and conditions of employment of the employees of FPTL

19. The copy of draft scheme shall be filed with the Registrar of Companies, Mumbai Maharashtra.

20. No investigation or proceedings under the Companies Act, 1956 and / or Companies Act, 2013 have been instituted or are pending in relation to FCL and FPTL.

21. FCL and FPTL have made a joint application before Mumbai Bench of the National Company Law Tribunal for the sanction of the Scheme of Arrangement under Sections 230 to 232 of the Companies Act, 2013 read with other applicable provisions of the Companies Act, 2013 and Rules framed thereunder.

22. Unsecured Creditors desiring inspection of the following documents may send their request to the Company to investor.relations@forbes.co.in. Kindly note that the following documents are also available on the website of the Company:

    a. Audited Financial Statements of FCL for the year ended March 31, 2023

b. Copy of Memorandum of Association and Articles of Association of FCL and FPTL.

c. Copy of the Order dated September 27, 2023 of the NCLT passed in Company Application No. CA (CAA)/196/MB-V/2023 directing the convening of the meeting of the equity shareholders of FCL.

d. Copy of the Scheme of Arrangement.

e. Statutory Auditor's Certificates of FCL and FPTPL confirming accounting treatment (specified in scheme) is in compliance with Accounting Standards.

f. Copy of the Report of Audit Committee dated September 26, 2022.

g. Copies of the resolutions passed by the respective Board of Directors of FCL and FPTL.

h. Copy of Share Entitlement Ratio Report dated September 26, 2022 issued by Aashay Hasmukh Dedhia., Chartered Accountants.

i. Fairness Opinion Certificate dated September 26, 2022 issued by Sundae Capital Advisors Private Limited, a SEBI Registered Merchant Banker.

j. Copy of the observation letter of BSE Limited dated July 07, 2023.

k. Complaint report dated March 8, 2023 submitted by the Applicant Company to BSE Limited.

l. Copy of the applicable information of FCL and FPTL in the format specified for abridged prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

m. Shareholding Pattern of FCL Limited as on June 30, 2023.

n. Such other information or documents as the Board or the management believes necessary and relevant for making decision for or against the Scheme.

This statement may be treated as an Explanatory Statement under Sections 230 to 232 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 and Section 102 and other applicable provisions of the Companies Act, 2013. A copy of the Scheme and Explanatory Statement may be obtained from the Registered Office of the Applicant Company.

For Forbes & Company Limited

Mahesh Chelaram Tahilyani
(DIN:01423084)
Chairperson appointed for the meeting

Place: Mumbai
Date: September 29, 2023

INFORMATION PURSUANT TO SUB-SECTION 2 OF SECTION 232 OF THE COMPANIES ACT, 2013, CIRCULATED FOR THE MEETING

Dear Members,

Pursuant to Sub-section 2 of Section 232 of the Companies Act, 2013, where an Order has been made by the Tribunal under Sub-Section (1), the companies between which a compromise or arrangement is proposed shall circulate information for the meeting so ordered by the Tribunal.

Whereas the Hon'ble Mumbai Bench of the National Company Law Tribunal ("NCLT") has ordered the meeting of the Unsecured Creditors to consider the proposed Scheme, in terms of Sub-section 2 of Section 232 of the Companies Act, 2013, the following information is circulated for the meeting:

- Notice of Meeting of the Unsecured Creditors of Forbes & Company Limited ('the Company') convened as per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench.
- Explanatory Statement under Section 102 and other applicable provisions of the Companies Act, 2013 read with Section 230 to 232 of the Companies Act, 2013 and Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
- Scheme of Arrangement between Forbes & Company Limited, the Demerged Company and Forbes Precision Tools and Machine Parts Limited, the Resulting Company and their respective shareholders **(Annexure A)**.
- Observation Letter dated July 07, 2023 issued by BSE Limited to Forbes & Company Limited **(Annexure B)**.
- Complaints Report dated March 8, 2023 submitted to BSE Limited by Forbes & Company Limited (**Annexure C**).
- Share Entitlement Report dated September 23, 2022 issued by Registered Valuer **(Annexure D)**.
- Fairness Opinion Certificate dated September 26, 2022 issued by Sundae Capital Advisors Private Limited, a SEBI Registered Merchant Banker, providing its opinion on the fairness of the valuation as recommended by the Registered Valuer **(Annexure E)**.
- Compliance Report submitted to BSE Limited by Forbes & Company Limited (**Annexure F**).
- Report by the Board of Directors of Forbes & Company Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 **(Annexure G)**.
- Report by the Board of Directors of Forbes Precision Tools and Machine Parts Limited pursuant to the provisions of Section 232(2)(c) of the Companies Act, 2013 **(Annexure H)**.
- Details of ongoing & recovery proceedings, prosecution initiated and all other enforcement action taken against the Company **(Annexure I**).
- Unaudited financial results for quarter ended June 30, 2023 (Limited Reviewed) of Forbes & Company Limited (Demerged Company) (**Annexure J-1**)
- Audited Statement of Accounts as on March 31, 2023 of Forbes & Company Limited (**Annexure J-2**)
- Unaudited financial results for quarter ended June 30, 2023 of Forbes Precision Tools and Machine Parts Limited (**Annexure K-1**)
- Audited Statement of Accounts as on March 31, 2023 of Forbes Precision Tools and Machine Parts Limited (**Annexure K-2**)

For Forbes & Company Limited

Mahesh Chelaram Tahilyani
(DIN:01423084)
Chairperson appointed for the meeting

Place: Mumbai
Date: September 29, 2023

Annexure A

SCHEME OF ARRANGEMENT

UNDER SECTION 232 READ WITH SECTION 230 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER

BETWEEN

FORBES & COMPANY LIMITED

(“FCL” or “Demerged Company”)

AND

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

(“FPTL” or “Resulting Company”)

AND

THEIR RESPECTIVE SHAREHOLDERS

1. PREAMBLE

This Scheme of Arrangement (“Scheme”) is presented under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder for demerger of the Demerged Undertaking (hereinafter defined) from Forbes & Company Limited into Forbes Precision Tools and Machine Parts Limited on a going concern basis, in the present form or with such alterations / modifications, as may be approved or imposed or directed by National Company Law Tribunal (“NCLT”).

2. DESCRIPTION OF COMPANIES

Forbes & Company Limited (“FCL” or “Demerged Company”) was incorporated in the State of Maharashtra on 18th November, 1919 as ‘The Gokak Mills Limited’ under the Indian Companies Act, 1913. Thereafter, the name was changed to ‘Gokak Patel Volkart Limited’ on 31st December, 1973. Further, on 28th September, 1992, its name was changed to ‘Forbes Gokak Limited’ and finally, on 25th October, 2007, it was changed to its current name ‘Forbes & Company Limited’. It has its Corporate Identity Number as L17110MH1919PLC000628. The Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001 and having PAN AAACF1765A and Email ID of its authorised representative is rupa.khanna@forbes.co.in.

Forbes Precision Tools and Machine Parts Limited (“FPTL” or “Resulting Company”), was incorporated as a Public limited company in the State of Maharashtra on 30th August 2022. It has Corporate Identity Number U29256MH2022PLC389649. The Registered Office is situated at Forbes Building, Charanjit Rai Marg Fort Mumbai, MH 400001, India and having PAN AAFCF2015G and email ID of its authorised representative is nirmal.jagawat@forbes.co.in

3. RATIONALE OF THE SCHEME

3.1. Forbes & Company Limited, a company listed on the BSE Limited, is engaged in the business of:

(a) Precision Tools business

(b) Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business;

(c) Real Estate Business, and

(d) Investment into Subsidiaries, Joint Ventures and Associates

3.2. Forbes Precision Tools and Machine Parts Limited, a wholly owned subsidiary of Forbes & Company Limited is incorporated on 30th August 2022 to carry on the business of manufacturers, importers, exporters, buyers, sellers, traders, dealers, distributors, service providers of engineering and electrical products and services including taps, carbon and/or steel taps, drills, rotary burrs, tools, threading tools, grinding tools, measuring tools, hand tools, precision tools, tools of any kind, jigs, fixtures, dies, spare parts, accessories, filtering materials, designs, patterns, plants, apparatus, equipment, machinery, machine parts and to carry on such other activities as may be incidental or conducive or advantageously carried on with any of the above activities.

3.3. The nature of risk, competition, challenges, opportunities and business methods for Precision Tools business is separate and distinct from the Remaining Business carried out by the Demerged Company.

3.4. Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Precision Tools business from the Remaining Business.

3.5. The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on the business segment under separate entity.

3.6. The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance its respective businesses by streamlining operations and its management structure ensuring better and more efficient management control.

3.7. Bifurcation of these businesses will enable unlocking value of its verticals thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.

3.8. Thus, the demerger pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

i. Create a sector focused Company;

ii. Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;

iii. Allowing managements of the each of the Demerged Company and the Resulting Company to pursue independent growth strategies;

iv. Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;

v. Independent collaboration and expansion.

3.9. The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.

4. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

Part I deals with definitions and Interpretation;

Part II deals with Demerger and vesting of the Demerged Undertaking (hereinafter defined) from Forbes & Company Limited into Forbes Precision Tools and Machine Parts Limited on a going concern basis; and

Part III deals with the General Terms and Conditions.

5. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under section 2(19AA) of the Income Tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of section 2(19AA) of the Income Tax Act, 1961, including as a result of an amendment of law or enactment of new legislation or any other reason whatsoever, the provisions of section 2(19AA) of the Income Tax Act, 1961, or a corresponding provisions of any amended or newly enacted law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with section 2(19AA) of the Income Tax Act, 1961. Such modifications, if required to be made will, however, not affect the other provisions (including those relating to accounting treatment) of the Scheme.

PART I

DEFINITIONS AND INTERPRETATION

1. **DEFINITIONS**

In this Scheme, unless repugnant to the context, the following expressions shall have the following meaning:

1.1. "Act" means the Companies Act, 1956 and/or Companies Act, 2013, to the extent its provisions relevant for this Scheme are notified and ordinances, rules and regulations made thereunder and shall include any statutory modifications, re-enactment or amendment thereof for the time being in force.

1.2. "**Appointed Date**" means **1st April 2023** or such other date as may be fixed or approved by National Company Law Tribunal, Mumbai Bench.

1.3. "Board of Directors" or "Board" means the Board of Directors of the Demerged Company and the Resulting Company, as the case may be, and shall include a duly constituted committee thereof.

1.4. **"Effective Date"** means the date on which the certified copy of the order sanctioning this Scheme, passed by the National Company Law Tribunal at Mumbai, is filed with the Registrar of Companies, Mumbai by the Demerged Company and the Resulting Company

1.5. **"FCL"** or **"Demerged Company"** means Forbes & Company Limited having its Corporate Identity Number as L17110MH1919PLC000628, having registered office at Forbes Building, Charanjit Rai Marg, Fort Mumbai 400001.

1.6. **"FPTL"** or **"Resulting Company"** means Forbes Precision Tools and Machine Parts Limited having its Corporate Identity Number as U29256MH2022PLC389649, having registered office at Forbes Building, Charanjit Rai Marg Fort Mumbai, MH 400001.

1.7. **"Demerged Undertaking"** means the Precision Tools business of the Demerged Company, carried on anywhere in India either by itself or through its subsidiaries, inter alia, including the business activity of manufacturing & trading of cutting tools, HSS Taps, HPT, Rotary Burrs, HSS Drills, CST Dies, Spring Washer, Threading Tools and Carbide Tools, and such other precision tools and assets, properties, liabilities and obligations of whatsoever nature and kind and wheresoever situated, of the Demerged Company as on the Appointed Date, belonging to, or forming part of, or relating or appertaining to, or attributable to the division identified as the Precision Tools business of the Demerged Company and shall include the following without limitation:

a) all assets and properties, whether movable or immovable (as per Annexure 1), tangible or intangible, whether corporeal or incorporeal, leasehold land including leasehold land at Waluj, Aurangabad (together with the building and structure standing thereupon), plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, bills of exchange, other fixed assets, trademarks, brands, including brands such as 'Totem', 'BBBB', 'Forbes Kendo', etc., development rights, outstanding loans and advances including advances given for purchase of immovable property, recoverable in cash or in kind or for value to be received inventory and work in progress wherever situated pertaining to the Demerged Undertaking;

b) assets other than those referred to in sub-clauses (a) above being general in nature, if any, of the Demerged Company be allocated to the Demerged Undertaking in the manner as may be decided by the Board of the Demerged Company.

c) all present and future liabilities arising out of the activities or operations of the Demerged Undertaking including loans, debts, current liabilities and provisions, duties and obligations relatable to the Demerged Undertaking;

d) without prejudice to the generality of the above, the Demerged Undertaking shall include in particular:

   i. all properties constituting, relating to or required for the Demerged Undertaking wherever situated, including all fixed assets, work in progress, current assets, plant and machinery, equipment, funds, offices, office equipment, accessories, computer, fixtures, fittings, furniture, vehicles and other goods, in respect of the Demerged Undertaking; including leasehold improvements, all other tangible and intangible assets of whatsoever nature, lease and hire purchase contracts, contracts, engagements, arrangements, rights, assignment/ sub-letting of tenancy rights with or without the consent of the landlord, as may be required by law, leave and license agreements, titles, interests, benefits and advantages of any nature whatsoever and where-so-ever situated.

ii. all permits, quotas, rights, entitlements, bids, powers, allotments, authorities, tenders, approvals, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, permissions, including municipal permissions, consents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deducted at source, tax deferrals, advance taxes paid tenancies in relation to office and/or residential property for the employees, goodwill, intellectual property, cash balances, the benefit of any deposit, financial assets, belonging to or proposed to be utilized for the Demerged Undertaking, bank balances and bank accounts relating to the day to day operations and specific to the working of the Demerged Undertaking, privileges, all other rights and benefits, lease rights, patents, trademarks, domain names, copyrights, trade name, designs and drawings, plans including building plans, clearances, certificates including commencement certificates issued by any local authorities, domain names and utility models, inventions, and any similar rights and the benefit of any of the foregoing and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants, special incentive schemes and any other incentive schemes formulated by Central or State Government, if any, contracts and arrangements, other records, whether in physical form or electronic form, insurance policies and all other interest in connection with or relating to the Demerged Undertaking;

iii. all records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former clients and suppliers, clients credit information, clients pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Demerged Undertaking;

iv. all contracts, agreements including development agreements, purchase orders / service orders, operation and maintenance contracts, understanding in connection with or pertaining to or relatable to the Demerged Undertaking;

v. all employees of the Demerged Company employed in and / or relatable to the Demerged Undertaking as identified by the Board of the Demerged Company as on the Effective Date; and

vi. all earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Demerged Undertaking.

e) For the purpose of this Scheme, the liabilities pertaining to the Demerged Undertaking means and includes:

i. all liabilities (including contingent liabilities) arising out of the activities or operation of the Demerged Undertaking including in relation or connection with Taxes or under or in relation to its contracts, other obligations, duties and sums owing;

ii. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Demerged Undertaking;

iii. liabilities other than those referred to in sub-clauses (i) and (ii) above being the amounts of general or multipurpose borrowings, if any, of the Demerged Company be allocated to the Demerged Undertaking in the same proportion in which the value of the assets transferred under this clause bears to the total value of the assets of the Demerged Company immediately before the Appointed Date of the Scheme.

iv. Whether any particular asset or liability should be included as asset or liability of the Demerged Undertaking or otherwise shall be decided mutually by the Board or any committee thereof of the Demerged Company and the Resulting Company.

1.8. **"NCLT"** means the National Company Law Tribunal, Mumbai Bench having jurisdiction in relation to the Demerged Company and the Resulting Company and shall be deemed to include, if applicable, a reference to such other forum or authority which may be vested with any of the powers of NCLT to sanction the Scheme under the Act.

1.9. **"Record Date"** means the date fixed by the Board of Directors or a committee thereof of the Resulting Company for the purpose of issue of shares of the Resulting Company to the shareholders of the Demerged Company.

1.10. **"Remaining Business"** means all the undertakings, businesses, activities, operations, assets and liabilities of the Demerged Company other than those comprised in the Demerged Undertaking.

1.11. **"Scheme"** or **"the Scheme"** or **"this Scheme"** means this Scheme of Arrangement, in its present form as submitted to the NCLT for approval, with or without any modifications pursuant to Clause 14 of this Scheme, as may be approved or imposed or directed by the NCLT or any other appropriate authority.

1.12. **"SEBI Circular"** means circulars issued by SEBI being Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017 and any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

1.13. **"Stock Exchange"** means BSE Limited.

1.14. **"Taxation"** or **"Tax"** or **"Taxes"** means all forms of taxes and statutory, governmental, state, provincial, local government or municipal impositions, duties, contribution and levies and whether levied by reference to income, profit, book profits, gains, net wealth, asset values, turnover, added value or otherwise and shall further include payments in respect of or on account of Tax, whether by way of deduction at source, advance tax, minimum alternate tax or otherwise or attributable directly or primarily to the Demerged Company and the Resulting Company, as the case may be, or any other person and all penalties , charges, costs and interest relating thereto;

1.15. **"Transition period"** means period starting from the date immediately after the Appointed Date till the Effective Date.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

2.1. The share capital structure of the Demerged Company as on 30th June, 2022 is as under –

Share Capital	Amount (INR)
Authorized Share Capital 4,30,50,000 equity shares of INR 10 each	43,05,00,000
TOTAL	**43,05,00,000**
Issued, subscribed and paid-up Share Capital 1,28,98,616 equity shares of INR 10 each	12,89,86,160
TOTAL	**12,89,86,160**

There is no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company from 30th June, 2022 till the date of approval of the Scheme by the Board of the Demerged Company.

2.2. The share capital structure of the Resulting Company as on its date of incorporation i.e. 30th August, 2022 is as under –

Share Capital	Amount (INR)
Authorized Share Capital 50,000 equity shares of INR 10 each	5,00,000
TOTAL	5,00,000
Issued, subscribed and paid-up Share Capital 50,000 equity shares of INR 10 each	5,00,000
TOTAL	5,00,000

There is no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company from 30th August, 2022 till the date of approval of the Scheme by the Board of the Resulting Company. The entire share capital of the Resulting Company is held by the Demerged Company.

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

3.1. The Scheme shall be effective in its present form or with any modification(s) approved or imposed or directed by the NCLT or any other appropriate authority and shall become effective from the Appointed Date as provided in Section 232(6) of the Act in terms of Clause 1.2 mentioned above.

PART II – DEMERGER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY ON A GOING CONCERN BASIS

4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING INTO THE RESULTING COMPANY

4.1. Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking as defined in Clause 1.7, shall pursuant to the provisions of section 232 read with section 230 and other applicable provisions, if any, of the Act, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with section 2(19AA) of the Income-tax Act, 1961, so as to vest in the Resulting Company all the rights, title and interest of the Demerged Undertaking therein, subject to the subsisting charges and pledges, if any.

4.2. Without prejudice to the provisions of Clause 4.1, in respect of such assets and properties of the Demerged Company relating to the Demerged Undertaking, as are moveable in nature, including cash in hand, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, and shall upon such delivery or endorsement and delivery, become the assets and properties of the Resulting Company, without requiring any deed or instrument or conveyance for the same.

4.3. In respect of any movable assets other than those mentioned in Clause 4.2 above, including investments, interests, intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the government, semi-government, local and other authorities and bodies and customers, the Demerged Company shall if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the NCLT having sanctioned this Scheme, the relevant debt, loan, advance or other asset, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realize the same stands transferred to the Resulting Company.

4.4. If any asset relating to the Demerged Undertaking (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which the Demerged Company owns, cannot be transferred to the Resulting Company for any reason whatsoever, the Demerged Company shall, (i) hold such asset in trust for the sole benefit of the Resulting Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by the Resulting Company in that regard; and (ii) make reasonable efforts to transfer such asset to the Resulting Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

4.5. All patents, patent rights applications, brands, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipments and installations, utilities, electricity and electronic and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by the Demerged Company in relation to the Demerged Undertaking, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest moneys and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Company and relatable to the Demerged Undertaking, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in the Resulting Company pursuant to the provisions of section 230 to section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of the Resulting Company.

4.6. All the immovable property whether or not included in the books of the Demerged Company pertaining to the Demerged Undertaking, whether freehold or leasehold (including but not limited to any other document of title, rights, interest and easements in relation thereto, and any shares in cooperative housing societies associated with such immoveable property) shall stand transferred to and be vested in the Resulting Company, with effect from the Appointed Date, without any act or deed to be done or executed by the Demerged Company and/or the Resulting Company. With regard to the licenses of the properties, the Resulting Company will enter into novation agreements, if it is so required.

4.7. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to the Demerged Undertaking shall, under the provisions of sections 232 read with section 230 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to the Resulting Company and shall become the debts, liabilities and obligations of the Resulting Company which it undertakes to meet, discharge and satisfy and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, advances, liabilities and obligations have arisen in order to give effect to the provisions of this sub-clause.

4.8. In so far as the assets comprised in the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to the Demerged Undertaking shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking. The Demerged Company to apply to the authorities for release of such assets and apply to Registrar of Companies for modification of charges, encumbrances created on such assets, if required.

4.9. All assets, estate, rights, title, interest and authorities acquired by the Demerged Company including but not limited to all construction and investments related approvals / permissions, other approvals, etc. that may be received from the various authorities from time to time, after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking shall also stand transferred to and vested in the Resulting Company with effect from the Effective Date.

4.10. All accrued or unaccrued advance income tax, service tax, sales tax, goods and services tax, any tax deduction / collection at source of any other taxes of any nature, duties, cesses or any other like payments or deductions made by the Demerged Company pertaining to the Demerged Undertaking to any statutory authorities including all or any refunds/ credit/claims relating thereto shall be deemed to have been on account of or paid by the Resulting Company.

5. STAFF, EMPLOYEES AND WORKERS

5.1. Upon the Scheme coming into effect, all staff, employees and workers pertaining to the Demerged Undertaking, including all staff, employees and workers forming part of the Demerged Undertaking in service (including but not limited to permanent, temporary or contractual) immediately preceding the Effective Date shall be deemed to have become staff, employees and workers of the Resulting Company with effect from the Appointed Date, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them as a part of the Demerged Undertaking of the Demerged Company immediately preceding the transfer.

5.2. The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with the Demerged Company, relating to superannuation, provident fund and gratuity fund and other funds similar in nature, shall be identified, determined and vested with the respective trusts/ funds of the Resulting Company and such staff, employees and workers shall be deemed to have become members of such trusts/funds of the Resulting Company. Until such time, the Resulting Company in relation to the Demerged Undertaking may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the employees of the Demerged Undertaking to the relevant funds of the Demerged Company in relation to the Demerged Undertaking.

6. LEGAL PROCEEDINGS

6.1. Upon the Scheme coming into effect, if any suit, appeal or other legal proceedings of whatsoever nature by or against the Demerged Company in relation to the Demerged Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Demerger and by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company in relation to the Demerged Undertaking as if this Scheme had not been made. In the event that the legal proceedings referred to herein require the Demerged Company in relation to the Demerged Undertaking as party thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with the Demerged Company in relation to the Demerged Undertaking.

6.2. The Resulting Company undertakes to have all legal or other proceedings initiated by or against the Demerged Company in relation to the Demerged Undertaking referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Demerged Company in relation to the Demerged Undertaking.

6.3. After the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Demerged Company in relation to the Demerged Undertaking.

7. DEMERGER NOT TO AFFECT TRANSACTIONS / CONTRACTS OF THE DEMERGED COMPANY IN RELATION TO THE DEMERGED UNDERTAKING:

7.1. The Demerger of the Demerged Undertaking of the Demerged Company and the continuance of the said proceedings by or against the Demerged Company in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by or against the Demerged Company in relation to the Demerged Undertaking after the Appointed Date to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done or executed by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date as done and executed on its behalf. The said transfer and vesting pursuant to Section 232 of the Act, shall take effect from the Appointed Date unless the NCLT otherwise directs.

8. CONSIDERATION

8.1. Upon coming into effect of the Scheme and in consideration for Demerger of Demerged Undertaking of the Demerged Company into the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot equity shares of face value INR 10/- each, credited as fully paid up, to all the equity shareholders of the Demerged Company whose names appear in the register of members of the Demerged Company as on the Record Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the following proportion:

4 (Four) fully paid up equity shares of INR 10/-each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date.

8.2. The equity shares shall be issued by the Resulting Company in dematerialized form to those equity shareholders of the Demerged Company who hold shares of the Demerged Company in dematerialized form, into the account in which the Resulting Company shares are held or such other account as is intimated by the shareholders to the Demerged Company and / or its Registrar. All those shareholders who hold shares of the Demerged Company in physical form shall also have the option to receive the equity shares in the Resulting Company in dematerialized form provided the details of their account with the Depository Participant are intimated in writing to the Resulting Company and / or its Registrar, otherwise, they would be issued equity shares in physical form.

8.3. The Resulting Company shall take necessary steps to increase or alter or re-classify, (if necessary), its authorized share capital suitably to enable it to issue and allot equity shares required to be issued and allotted by it under this Scheme.

8.4. Approval of this Scheme by the equity shareholders of the Resulting Company shall be deemed to be the due compliance of the provisions of section 62 and section 42 of the Companies Act, 2013, and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by the Resulting Company to the equity shareholders of the Demerged Company, as provided in this Scheme.

8.5. The approval of this Scheme by the equity shareholders of the Demerged Company and the Resulting Company under Sections 230 to 232 of the Act shall be deemed to have the approval under sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act and any other consents and approvals required in this regard.

8.6. The shares issued under this clause shall, in compliance with the applicable laws, be listed and admitted to trading on the Stock Exchange pursuant to this Scheme and the relevant SEBI Circular and no lock-in shall be applicable to the shares issued under this clause on account of the post Scheme shareholding pattern of the Resulting Company being exactly similar to the shareholding pattern of the Demerged Company. The Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the relevant SEBI Circular and applicable laws and promptly take all steps to procure the direct listing of the shares issued by it pursuant to this clause.

8.7. The equity shares allotted by the Resulting Company pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange. Further, there shall be no change in the shareholding pattern of the

Resulting Company between the Record Date and the listing of its equity shares which may affect the status of approval of the Stock Exchanges.

8.8. The equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company and which are held in abeyance, if any under the provisions of Section 126 of the Companies Act, 2013 or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, also be held in abeyance by the Resulting Company.

8.9. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of the Demerged Company, the Board of the Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in the Demerged Company as if such changes in registered holders were operative as on the Record Date, in order to remove any difficulties arising to the transferors of the shares in relation to the shares issued by the Resulting Company. The Board of the Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in the Resulting Company on account of difficulties faced in the Transition Period.

9. ACCOUNTING TREATMENT

The Resulting Company and the Demerged Company shall account for demerger in their respective books of account as under:

9.1. **In the books of the Resulting Company**

Notwithstanding anything to the contrary contained herein, the Resulting Company shall account for the arrangement in its books of account by applying the principles prescribed in Appendix C (Business combinations of entities under common control) of Indian Accounting Standard (Ind AS) 103, Business Combinations, other accounting principles prescribed under the Companies (India Accounting Standards) Rules, 2015 as notified under section 133 of Companies Act, 2013 and relevant clarifications issued by the Institute of Chartered Accountants of India and on the date determined in accordance with Ind AS.

Any matter not dealt with in Clause 9.1 hereinabove shall be dealt with in accordance with the Indian Accounting Standards applicable to the Resulting Company.

9.2. **In the books of the Demerged Company**

Notwithstanding anything to the contrary contained herein, the Demerged Company shall account for transfer of the Demerged Undertaking to the Resulting Company in its books of accounts as per Companies (Indian Accounting Standards) Rules, 2015 (“Ind AS”) as notified under Section 133 of the Companies Act, 2013 and the clarifications issued by the Institute of Chartered Accountants of India and on the date as determined in accordance with Ind AS.

10. CONDUCT OF THE BUSINESS UNTIL EFFECTIVE DATE

With effect from the Appointed Date to the Effective Date:

10.1. The Demerged Company in relation to the Demerged Undertaking undertakes to preserve and carry on the business, with reasonable diligence and business prudence and shall not undertake financial commitments or sell, transfer, alienate, charge, mortgage, or encumber or otherwise deal with or dispose of any undertaking or any part thereof save and except in each case:

- if the same is in its ordinary course of business as carried on by it as on the date of filing this Scheme with the NCLT; or
- if the same is expressly permitted by this Scheme; or
- if the prior written consent of the Board of Directors of the Resulting Company has been obtained.

10.2. The Demerged Company in relation to the Demerged Undertaking shall carry on and be deemed to have carried on all business and activities and shall stand possessed of all the assets, rights, title and interest for and on account of, and in trust for the Resulting Company.

10.3. All profits and cash accruing to or losses arising or incurred (including the effect of Taxes if any thereon), by the Demerged Company in relation to the Demerged Undertaking, shall for all purposes, be treated as the profits/ cash, Taxes or losses of the Resulting Company and shall be available to the Resulting Company for being disposed off in any manner as it thinks fit.

10.4. All Taxes paid or payable by the Demerged Company in relation to the Demerged Undertaking in respect of the operations and / or profits of the business from the Appointed date till the Effective Date, shall be on account of the Demerged Company in relation to the Demerged Undertaking and in so far as it relates to the Tax payment by the Demerged Company in relation to the Demerged Undertaking in respect of the profits or activities or operation of the business after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall in all proceedings be dealt with accordingly.

Any refund under Income Tax Act, 1961 or other applicable laws or regulations dealing with Taxes allocable or related to the business of the Demerged Undertaking and due to the Demerged Company in relation to the Demerged Undertaking consequent to the assessment made on the Demerged Company in relation to the Demerged Undertaking shall also belong to and be received by the Resulting Company.

All taxes benefits of any nature, duties, cesses or any other like payments or deductions available to the Demerged Company in relation to the Demerged Undertaking under any Tax Law up to the Effective Date shall be deemed to have been on account of or paid by the Resulting Company and the relevant authorities shall be bound to transfer to the account of and give credit for the same to the Resulting Company upon the passing of the order by the NCLT.

11. REDUCTION IN PAID UP SHARE CAPITAL OF THE RESULTING COMPANY AND CANCELLATION OF INTER-COMPANY INVESTMENTS

11.1. The existing share capital i.e. shares held by the shareholders of the Resulting Company viz. the Demerged Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.

11.2. The share certificate(s) in relation to the shares held by the existing shareholders of the Resulting Company (i.e. the Demerged Company), shall, without any further application, act, instrument or deed, be deemed to have been automatically cancelled and no new share certificates will be issued by the Resulting Company, in lieu of share certificates already held by existing shareholders of the Resulting Company in the Resulting Company.

11.3. The said cancellation of investments held by the Demerged Company in the Resulting Company and the said reduction in the share capital of the Resulting Company shall be adjusted to capital reserve in the books of the Resulting Company and shall be effected as an integral part of the Scheme and the orders of the NCLT sanctioning the Scheme shall be deemed to be an order under section 66 of the Act confirming the reduction and no separate sanction under section 66 of the Act will be necessary.

11.4. Notwithstanding the reduction of capital of the Resulting Company, the Resulting Company shall not be required to add “And Reduced” as suffix to its name.

12. ENFORCEMENT OF CONTRACTS, DEEDS, BONDS & OTHER INSTRUMENTS:

12.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which the Demerged Company in relation to the Demerged Undertaking is a party subsisting or having effect immediately before the demerger, shall remain in full force and effect against or, as the case may be, in favour of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company in relation to the Demerged Undertaking, the Resulting Company was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that demerged and vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds, confirmations or other writings or arrangements to which the Demerged Company in relation to the Demerged Undertaking is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Demerged Undertaking to be carried out or performed.

12.2. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, all consents, permissions, licenses, certificates, clearances, authorities , powers of attorney given by, issued to or executed in favour of the Demerged Company in relation to the Demerged Undertaking shall stand transferred to the Resulting Company and the Resulting Company shall be bound by the terms thereof, the obligations and duties there under, and the rights and benefits under the same shall be available to the Resulting Company. The Resulting Company shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

PART III - GENERAL TERMS AND CONDITIONS

13. APPLICATION TO NCLT

13.1. The Demerged Company and the Resulting Company shall dispatch, make and file all applications and petitions under Sections 230 to 232 and other applicable provisions of the Act before the NCLT for sanction of this Scheme under the provisions of applicable laws, and shall apply for such approvals as may be required under applicable laws.

13.2. The Demerged Company and the Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to any appropriate authority, if required, under any applicable laws for such consents and approvals which the Demerged Company and the Resulting Company may require to own the assets and/or liabilities of the Demerged Undertaking and to carry on the business of the Demerged Undertaking.

14. MODIFICATION OR AMENDMENTS TO THE SCHEME

14.1. Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Board of the Demerged Company and the Resulting Company may make modifications or assent to any modifications, alterations or amendments of this Scheme or any conditions which the NCLT and / or any other competent authority may deem fit to direct or impose and the said respective Boards may do all such acts, things and deeds necessary in connection with or to carry out the Scheme into effect and take such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any order of the NCLT or any directions or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and / or matters concerned or connected therewith.

14.2. The Board of the Demerged Company and the Resulting Company or through persons authorized by the respective Boards or through sub-committee of the respective Boards in their full and absolute discretion, may withdraw this Scheme or any part of the Scheme prior to the Scheme becoming effective at any time.

15. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

15.1. Obtaining no-objection from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (as amended from time to time);

15.2. The approval by the requisite majorities of the respective members and / or creditors (including but not limited to secured and unsecured) of the Demerged Company and the Resulting Company, as required under the Act and directed by the NCLT.

15.3. The sanction or approval of the authorities concerned being obtained and granted in respect of any of the matters for which such sanction or approval being required.

15.4. The sanction of the Scheme by the NCLT under Sections 230 to 232 of the Act and other applicable provisions of the Act.

15.5. The requisite orders of the NCLT being obtained for sanctioning the Scheme under Section 230 read with Section 232 of the Act being filed with the concerned Registrar of Companies.

16. OPERATIVE DATE OF THE SCHEME

16.1. The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

17. BINDING EFFECT

17.1. Upon the Scheme becoming effective, the same shall be binding on the Demerged Company and the Resulting Company and all concerned parties without any further act, deed, matter or thing.

18. EFFECT OF NON-RECEIPT OF APPROVALS

18.1. In the event any of the said approvals or sanctions referred to above not being obtained or conditions enumerated in the Scheme not being complied with, or for any other reason, the Scheme cannot be implemented, the Boards of Directors or committee empowered thereof of the Demerged Company and the Resulting Company shall by mutual agreement waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement, the Scheme shall become null and void and shall stand revoked, cancelled and be of no effect and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

19. GIVING EFFECT TO THE SCHEME

19.1. For the purpose of giving effect to the Scheme, the

Board of Directors of the Demerged Company and the Resulting Company or any Committee thereof, is authorized to give such directions as may be necessary or desirable and to settle as they may deem fit, any question, doubt or difficulty that may arise in connection with or in the working of the Scheme and to do all acts, deeds and things necessary for carrying into effect the Scheme.

20. COSTS

All costs, charges, Taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Resulting Company.

***

Annexure 1

List of Immovable Properties

Sr. No.	City	Type of Property	Property details
1	Waluj, Aurangabad	Lease hold Land	Plot B-13,Waluj Industrial Area, Waluj, Aurangabad-431 133
2	Waluj, Aurangabad	Factory Building	Factory Building 1, Factory Building 2, Office Building and Canteen

DCS/AMAL/TL/R37/2816/2023-24

July 07, 2023

The Company Secretary,
FORBES & COMPANY LTD.
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai, Maharashtra, 400001

Dear Sir,

Sub: Observation letter regarding the Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools and Machine Parts Limited and their respective Shareholders

We are in receipt of the Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools and Machine Parts Limited and their respective Shareholders filed by Forbes & Company Limited as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated July 06, 2023 has inter alia given the following comment(s) on the draft Scheme of Arrangement:

a. **"Company shall disclose all details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken, if any, against the Company, its promoters and directors, before Hon'ble NCLT and shareholders, while seeking approval of the scheme."**

b. **"Company shall ensure that additional information, if any, submitted by the Company after filing the scheme with the stock exchange, from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**

c. **"Company shall ensure compliance with the SEBI circulars issued from time to time."**

d. **"The entities involved in the Scheme shall duly comply with various provisions of the Circular and ensure that all the liabilities of Transferor Company are transferred to the Transferee Company."**

e. **"Company is advised that the information pertaining to all the Unlisted Companies involved, if any, in the Scheme shall be included in the format specified for abridged prospectus as provided in Part E of Schedule VI of the ICDR Regulations, 2018, in the explanatory statement or notice or proposal accompanying resolution to be passed, which is sent to the shareholders for seeking approval."**

f. **"Company shall ensure that the financials in the scheme including financials considered for valuation report are not for period more than 6 months old."**

g. **"Company is advised that the details of the proposed scheme under consideration as provided by Company to the stock exchange shall be prominently disclosed in the notice sent to the shareholders."**

h. **"Company is advised that it shall disclose the following as a part of the Explanatory Statement or Notice or Proposal accompanying resolution to be passed to be forwarded by the Company to its shareholders while seeking approval u/s 230 to 232 of the Companies Act, 2013:**

- **Details of (pre & post scheme) Assets and Liabilities of FCL & FPTMPL**
- **Details of Assets and Liabilities of Demerged Undertaking**
- **Total turnover of the Demerged Business for the year ended March 31, 2023**
- **Valuation Methods, Rationale and assumptions considered for arriving at the share entitlement ratio**
- **Rationale of the scheme and its impact on the public shareholders**

i. **"Company is advised that the proposed equity shares to be issued in terms of the 'Scheme' shall mandatorily be in demat form only."**

j. **"Company shall ensure that the "Scheme" shall be acted upon subject to the applicant complying with the relevant clauses mentioned in the scheme document."**

k. **"Company shall ensure that no changes to the draft scheme except those mandated by the regulators/ authorities / tribunals shall be made without specific written consent of SEBI."**

l. **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before Hon'ble NCLT and the Company is obliged to bring the observations to the notice of Hon'ble NCLT."**

m. **"Company is advised to comply with all applicable provisions of the Companies Act, 2013, rules and regulations issued thereunder including obtaining the consent from the creditors for the proposed scheme."**

n. **"It is to be noted that the petitions are filed by the company before Hon'ble NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose Information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

However, the listing of equity shares of Forbes Precision Tools and Machine Parts Limited shall be subject to SEBI granting relaxation under Rule 19(2)(b) of the Securities Contract (Regulation) Rules, 1957 and compliance with the requirements of SEBI circular. No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. Further, Forbes Precision Tools and Machine Parts Limited shall comply with SEBI Act, Rules, Regulations, directions of the SEBI and any other statutory authority and Rules, Byelaws, and Regulations of the Exchange.

The Company shall fulfill the Exchange's criteria for listing the securities of such company and also comply with other applicable statutory requirements. However, the listing of shares of Forbes Precision Tools and Machine Parts Limited is at the discretion of the Exchange. In addition to the above, the listing of Forbes Precision Tools and Machine Parts Limited pursuant to the Scheme of Arrangement shall be subject to SEBI approval and the Company satisfying the following conditions:

1. To submit the Information Memorandum containing all the information about Forbes Precision Tools and Machine Parts Limited in line with the disclosure requirements applicable for public issues with BSE, for making the same available to the public through the website of the Exchange. Further, the company is also advised to make the same available to the public through its website.
2. To publish an advertisement in the newspapers containing all details of Forbes Precision Tools and Machine Parts Limited in line with the details required as per the aforesaid SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The advertisement should draw a specific reference to the aforesaid Information Memorandum available on the website of the company as well as BSE.

3. To disclose all the material information about Forbes Precision Tools and Machine Parts Limited on a continuous basis so as to make the same public, in addition to the requirements if any, specified in Listing Agreement for disclosures about the subsidiaries.
4. The following provisions shall be incorporated in the scheme:

   - "The shares allotted pursuant to the Scheme shall remain frozen in the depository system till listing/trading permission is given by the designated stock exchange."

   - "There shall be no change in the shareholding pattern of Forbes Precision Tools and Machine Parts Limited between the record date and the listing which may affect the status of this approval."

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also in your application for approval of the scheme of Arrangement.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the **validity of this Observation Letter shall be Six Months from the date of this Letter**, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted**. You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

Prasad Bhide

Prasad Bhide
Senior Manager

Tanmayi Lele
Assistant Manager

Shapoorji Pallonji
Built to last... Since 1865

March 8, 2023

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai - 400001
Scrip code - 500153

Dear Madam,

Sub: "Report on Complaints" in terms of Para 6 of Part I(A) of SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ('Circular') read with application made under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Scheme of Arrangement between Forbes & Company Limited ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder ("the Act").

This is with reference to the captioned subject and application filed by the Company with BSE Limited on September 29, 2022 in accordance with Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2020, which were hosted by BSE Limited on its website on October 6, 2022.

In this regard, the Company wishes to submit that no complaints relating to the Scheme have been received during the period from October 6, 2022 to October 27, 2022. As required by Para I(A)(6) of Part I to the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, the "Report on Complaints" is enclosed.

The Report on Complaints is also being uploaded on the website of the Company, i.e. http://www.forbes.co.in/as per the requirement of the said circular.

We request you to kindly take the same on record.

Yours faithfully,
For **Forbes & Company Limited**

Rupa Khanna
Company Secretary & Compliance Officer
Encl.: As above

Forbes & Company Limited. Forbes' Building, Charanjit Rai Marg,
Fort, Mumbai 400 001. Tel.: + 91 22 61358900 Fax: +91 22 61358901
www.forbes.co.in
CIN No. : L17110MH1919PLC000628

FORBES

ANNEXURE VII

Format for Complaints Report:

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchanges/ SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved/Pending)
Not Applicable			

For Forbes & Company Limited

Rupa Khanna
Company Secretary & Compliance Officer

AASHAY HASMUKH DEDHIA

Registered Valuer - Securities and Financial Assets

Reg No: IBBI/RV/07/2021/13796

62, Vijaynagar, 2nd Floor, M.C. Jawle Marg, Dadar (W), Mumbai – 400 028
(E): aashayhdedhia@gmail.com (M): +91 9920184889

Date: 23 September 2022

To,

The Board of Directors **Forbes & Company Limited** Forbes Building, Charanjit Rai Marg, Fort, Mumbai 400 001	**The Board of Directors** **Forbes Precision Tools and Machine Parts Limited** Forbes Building, Charanjit Rai Marg, Fort Mumbai, MH 400001

Subject: Recommendation of Share Entitlement Ratio pursuant to the Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools and Machine Private Limited and their respective shareholders (**'Scheme'**)

Dear Sir / Madam,

We refer to our Engagement Letter dated 21 September 2022 whereby Forbes & Company Limited ('FCL' or 'Demerged Company') has appointed me for recommending the Share Entitlement Ratio for the proposed demerger of 'Precision Tools Business' of FCL into its wholly owned subsidiary Forbes Precision Tools and Machine Parts Limited ('FPTL' or 'Resulting Company'). The said demerger will be carried out through a Scheme of Arrangement under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The proposed Appointed Date for the demerger is 1st April 2023.

In the following paragraphs, I have summarised our valuation analysis together with the description of the valuation approaches, methodologies and limitations in our scope of work.

AASHAY H. DEDHIA
R. V. NO.
IBBI/RV/07/
2021/13796
Reg. Valuer (SFA)

Table of Contents

AASHAY H. DEDHIA
R. V. NO.
IBBI/RV/07/
2021/13796
Reg. Valuer (SFA)

1 Context and Purpose

I. Background of Companies:

Forbes & Company Limited, a company listed on the BSE Limited, is engaged in the business of:

- Precision Tools Business
- Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator business and
- Real Estate Business

Forbes Precision Tools and Machine Parts Limited has been recently incorporated on 30th August 2022. It is a wholly owned subsidiary of FCL. FPTL has been incorporated to *inter alia* carry out the Precision Tools Business ('Demerged Undertaking') of FCL, manufacturing and selling of engineering and electrical products and such other activities as may be incidental or conducive or advantageously carried on with any of the above activities.

II. Context and Purpose:

We have been given to understand that pursuant to the Scheme, the entire business and whole of the undertaking of Precision Tools Business of FCL will be transferred to and vested in FPTL as a going concern in the manner and on the terms as set out in the Scheme (**'Proposed Transaction'**).

We understand that the management of FCL and FPTL are contemplating the Proposed Transaction pursuant to the Scheme to inter alia achieve the following objectives:

- Create a sector focused company;
- Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;
- Allowing management of the Demerged Company and the Resulting Company to pursue independent growth strategies;
- Create value for stakeholders based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital; and
- Independent collaboration and expansion

The key terms of the Proposed Scheme are as under:

- The Scheme contemplates demerger of Precision Tools Business ('Demerged Undertaking') of Forbes & Company Limited into its wholly subsidiary Forbes Precision Tools Limited
- The transfer of Demerged Undertaking is on a going concern basis
- The Appointed Date for the demerger is 1st April 2023
- All assets, properties and liabilities of the Demerged Undertaking will become the assets, properties and liabilities of the Resulting Company pursuant to the Scheme
- All employees of the Demerged Undertaking will become employees of the Resulting Company on the same terms and conditions

AASHAY H. DEDHIA R. V. NO. IBBI/RV/07/2021/13796 Reg. Valuer (SFA)

- The Resulting Company will issue equity shares to all the shareholders of the Demerged Company on a proportionate basis and the existing shares held by the Demerged Company in the Resulting Company will stand cancelled

The Proposed Transaction will involve issuance of shares by FPTL to the shareholders of FCL on a proportionate basis as consideration for the demerger. In this connection, the management of FCL and FPTL has appointed me to submit a report recommending the Share Entitlement Ratio pursuant to the Proposed Transaction.

2 Conditions and Major Assumptions

Conditions

This report is only to be used in its entirety, and for the purpose stated in the report. No third parties should rely on the information or data contained in this report without the advice of their lawyer, attorney or accountant.

We acknowledge that we have no present or contemplated financial interest in the Demerged Company or Resulting Company. Our fees for this valuation are based upon our normal billing rates, and not contingent upon the results or the value of the business or in any other manner. We have no responsibility to modify this report for events and circumstances occurring subsequent to the date of this report.

We have, however, used conceptually sound and generally accepted methods, principles and procedures of valuation in determining the value estimate included in this report. The valuation analyst, by reason of performing this valuation and preparing this report, is not required to give expert testimony nor give attendance in court or at any government hearing with reference to the matters contained herein, unless prior arrangements have been made with the analyst regarding such additional engagement.

Assumptions

The opinion of value given in this report is based on information provided by the management of the Demerged Company and Resulting Company and other sources as listed in the report. This information is assumed to be accurate and complete.

We have not attempted to confirm whether or not all assets of the Precision Tools Business are free and clear of liens and encumbrances, or that the owner has good title to all the assets.

We have also assumed that the Precision Tools Business will be operated prudently and that there are no unforeseen adverse changes in the economic conditions affecting the business, the market, or the industry. This report presumes that the management of the respective companies will maintain the character and integrity of their respective companies.

We have been informed by the management that there are no significant lawsuits or any other undisclosed contingent liabilities which may potentially affect the business, except as may be disclosed elsewhere in this report. We have assumed that no costs or expenses will be incurred in connection with such liabilities, except as explicitly stated in this report.

AASHAY H. DEDHIA R. V. NO. IBBI/RV/07/2021/13796 Reg. Valuer (SFA)

3 Basis of valuation

In transactions of the nature of merger or amalgamation of companies or demerger of businesses, the consideration is often discharged by issue of securities of the acquirer or transferee entity with reference to an entitlement ratio, considering the relative values.

The Share Entitlement Ratio for the Proposed Transaction is determined based on the desired capital structure of FPTL upon demerger.

4 Valuation Premise

The premise of value refers to the conditions and circumstances of how an asset is deployed. As part of our analysis, we have considered the following assumption to be appropriate:

- Going concern basis - there is neither a planned nor contemplated discontinuance of Precision Tools Business
- As-is-where-is basis – the current use of the assets is assumed, which may or may not be its highest and best use

5 Valuation Date

As mentioned above, FPTL is a wholly owned subsidiary of FCL. Upon demerger of the Precision Tools Business of FPTL into FCL, FPTL will issue equity shares to all the shareholders of FCL on a proportionate basis and simultaneously the shares held by FCL in FPTL will be cancelled, extinguished and annulled. The shareholders of FCL who held the shares of FCL before the demerger will become the ultimate beneficial economic owners of FPTL in the same proportion as they were in FCL. Accordingly, the Share Entitlement Ratio will primarily be determined by the desired capital structure of FPTL. Hence, there is no Valuation Date fixed for arriving at the Share Entitlement Ratio for the Proposed Transaction.

6 Valuation Standards

The International Valuation Standards are not applicable for this report.

7 Valuation Methodology and Approach

As per clause 4(b) of Annexure I of circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, issued by Securities and Exchange Board of India ('SEBI'), a valuation report is not required where there is no change in shareholding patten of the listed entity / resulting entity.

Based on the desired capital structure of FPTL, the management of FCL and FPTL have proposed the following Share Entitlement Ratio:

AASHAY H. DEDHIA R. V. NO. IBBI/RV/07/2021/13796 Reg. Valuer (SFA)

"4 (Four) fully paid up equity shares of INR 10/-each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date"

8 Source of Information

This report is prepared based on the following sources of information as provided by the management of FCL.

- Scheme of Arrangement
- Shareholding pattern of FCL and FPTL
- Discussions with the management of FCL and FPTL and
- Other information / data available in public domain

In addition to the above, we have also obtained such other information and explanations from the Company as were considered relevant for the purpose of the valuation. It may be mentioned that the management has been provided the opportunity to review our draft report as part of our standard practice to make sure that factual inaccuracies are avoided in our final report.

9 Caveats

This document has been prepared for the purposes stated herein and should not be relied upon for any other purpose. Our client is the only authorized user of this report and is restricted for the purpose indicated in the engagement letter. This restriction does not preclude the client from providing a copy of the report to third-party advisors whose review would be consistent with the intended use and the Regulations. We do not take any responsibility for the unauthorized use of this report.

We owe responsibility only to the client that has appointed us under the terms of the engagement letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we express no audit opinion or any other form of assurance on this information.

The user to which this valuation is addressed should read the basis upon which the valuation has been done and be aware of the potential for later variations in value due to factors that are unforeseen. Due to possible changes in market forces and circumstances, this valuation report can only be regarded as relevant as at the date of this report.

The valuation of companies and assets is made based on the available facts and circumstances and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. Although every scientific method has been employed in systematically arriving at the value,

AASHAY H. DEDHIA R. V. NO. IBBI/RV/07/ 2021/13796 Reg. Valuer (SFA) there is, therefore, no indisputable single value and the estimate of the value is normally expressed as falling within a likely range. To comply with the client request, we have provided a single value for Fair Value of the equity shares of the Demerged Company and Resulting Company. Whilst we consider the valuation to be both reasonable and defensible based on the context, purpose and information available, others may place a different value.

The client and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the clients, their management and other third parties concerning the financial and other relevant data except as specifically stated to the contrary in the report. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the companies, their directors, employee or agents.

The report assumes that the company/business complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the companies/business will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/reflected in the balance sheet/fixed assets register provided to us.

We are fully aware that based on the opinion of value expressed in this report, we may be required to give testimony or attend court / judicial proceedings with regard to the subject assets, although it is out of scope of the assignment, unless specific arrangements to do so have been made in advance, or as otherwise required by law. In such event, the party seeking our evidence in the proceedings shall bear the cost/professional fee of attending court / judicial proceedings and our tendering evidence before such authority shall be under the applicable laws.

10 Disclaimer

While our work has involved an analysis of financial information and accounting records, our engagement does not include an audit in accordance with generally accepted auditing standards of the client existing business records. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by and on behalf of you and the client. Our report is subject to the scope and limitations detailed herein. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. However, as the purpose requires the expression of a single value, we have adopted a single value. Whilst we consider our value/range of values to be both reasonable and defensible based on the information available to us, others may place a different value on the fair value of equity shares of the Company.

AASHAY H. DEDHIA
R. V. NO.
IBBI/RV/07/
2021/13796
Reg. Valuer (SFA)

The ultimate analysis will have to be made by the exercise of judicious discretion by the Valuer and his judgment taking into account the relevant factors. There will always be several factors, e.g. management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the Balance Sheet but could strongly influence the value.

In the course of the valuation, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Company through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by/on behalf of the Company.

We are "Independent Valuers". We are independent of the client/company and have no current or expected interest in the Company or its assets. Further, we have not provided any services as an appraiser or in any other capacity within immediately three preceding years from the date of acceptance of this engagement. The fee paid for our services in no way influenced the results of our analysis.

Our report is meant for the purpose mentioned above and should not be used for any purpose other than the purpose mentioned therein. The Report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared.

11 Distribution of Report

The Analysis is confidential and has been prepared exclusively for Forbes & Company Limited and Forbes Precision Tools Limited. It should not be used, reproduced or circulated to any other person or for any purpose other than as mentioned above, in whole or in part, without the prior written consent of the valuer. Such consent will only be given after full consideration of the circumstances at the time. However, we do understand that the report will be shared with the auditors / advisors / submission to government authorities, regulators towards statutory compliances and such other persons as may be required to give effect to the Scheme and we provide our consent for the same.

12 Opinion on Share Entitlement Ratio

Based on the desired capital structure of FPTL, the management of FCL and FPTL have proposed the following Share Entitlement Ratio:

"4 (Four) fully paid up equity shares of INR 10/-each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1(One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date"

Considering the aforementioned and, in particular, that all the shareholders of FCL are and will, upon demerger, become ultimate beneficial owners of FPTL in the same proportion as they held in FCL, the Share Entitlement Ratio as proposed by the management of FCL and FPTL is fair.

AASHAY H. DEDHIA R. V. NO. IBBI/RV/07/ 2021/13796 Reg. Valuer (S&FA)

Aashay Hasmukh Dedhia – Registered Valuer (Securities and Financial Assets)
Reg No. IBBI/RV/07/2021/13796

The Proposed Transaction does not require valuation report under SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated 23rd November 2021, since there is no change in the shareholding pattern of the Demerged Company and the Resulting Company.

BSE Circular No LIST/COMP/02/2017-18 dated 29th May 2017 and NSE Circular No NSE/CML/2017/12 dated 1st June 2017, required a valuation report to disclose certain information in the specified format, which is given below:

Valuation Approaches	**Precision Tools Undertaking (A)**		**FPTL (B)**	
	Value Per Share	**Weight (%)**	**Value Per Share**	**Weight (%)**
Asset Approach	NA	Nil	NA	Nil
Market Approach	NA	Nil	NA	Nil
Income Approach	NA	Nil	NA	Nil
Relative Value Per Share	NA	Nil	NA	Nil
Share Entitlement Ratio (A/B)	**NA**			

NA – Not Applicable

We trust the above meets your requirements. Please feel free to contact us in case you require any additional information or clarifications.

Yours sincerely,

AASHAY H. DEDHIA ★ R. V. NO. IBBI/RV/07/ 2021/13796 ★ Reg. Valuer (SFA)

Aashay Hasmukh Dedhia
Registered Valuer - Securities or Financial Assets
(Reg No: IBBI/RV/07/2021/13796)

Annexure E

September 26, 2022

To,

The Board of Directors
Forbes & Company Limited
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai - 400 001

The Board of Directors
Forbes Precision Tools and Machine Parts Limited
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai - 400 001

Sub.: Fairness opinion towards the Share Entitlement ratio pursuant to the Scheme of Arrangement between Forbes & Company Limited and Forbes Precision Tools and Machine Parts Limited and their respective shareholders

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as "**Sundae**" or "**We**"), refer to the engagement letter dated September 22, 2022 with Forbes & Company Limited, wherein we have been requested to provide an opinion on the captioned subject on the basis of the Share Entitlement Ratio Report dated September 23, 2022 issued by Aashay Hasmukh Dedhia, Registered Valuer - Securities and Financial Assets (IBBI Reg. No. IBBI/RV/07/2021/13796) (referred to as "**Valuer**").

SCOPE AND PURPOSE OF THIS REPORT

The equity shares of Forbes & Company Limited are listed on BSE Limited ("**BSE**"). The Management of the Demerged Company is proposing to demerge the Precision Tools Business (the "**Demerged Undertaking**"). The said demerger is proposed to be implemented by undertaking a Scheme of Arrangement between Forbes & Company Limited (the "**Demerged Company**") and Forbes Precision Tools and Machine Parts Limited (the "**Resulting Company**") and their respective shareholders (the "**Scheme of Arrangement**").

This Fairness Report is being issued in accordance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Master Circular No. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, as amended from time to time, on the share entitlement ratio report of the proposed Scheme of Arrangement. This certificate has been issued for the sole purpose to facilitate the companies to comply with Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and it shall not be valid for any other purpose.

COMPANY BACKGROUND

Forbes & Company Limited / Demerged Company is a public limited company incorporated under the provisions of Companies Act, 1913 on November 18, 1919 bearing Corporate Identification Number L17110MH1919PLC000628. The registered office of the Demerged Company is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai, 400 001. The equity shares of the Demerged Company are listed on BSE. The capital Structure of the Demerged Company as on June 30, 2022 is as under:

Particulars	Amount (INR)
Authorized Share Capital	
4,30,50,000 Equity Shares of INR 10/- each	43,05,00,000
Total	**43,05,00,000**
Issued, Subscribed and Paid-Up Share Capital	
1,28,98,616 Equity Shares of INR 10/- each fully paid up	12,89,86,160
Total	**12,89,86,160**

The Demerged Company has the following business undertakings:

- Precision Tools business
- Industrial Automation, Coding, Medical Devices, Parts and Applications and Ventilator Business;
- Real Estate Business, and
- Investment into Subsidiaries, Joint Ventures and Associates

Forbes Precision Tools and Machine Parts Limited / Resulting Company is a public limited company incorporated under the provisions of Companies Act, 2013 on August 30, 2022 bearing Corporate Identification Number U29256MH2022PLC389649. The registered office of the Resulting Company is situated at Forbes Building, Charanjit Rai Marg, Fort, Mumbai, 400 001. The equity shares of the Resulting Company are currently not listed on any stock exchange. The Resulting Company is a wholly owned subsidiary of the Demerged Company. The capital structure of the Resulting Company as on August 30, 2022 is as under:

Particulars	Amount (INR)
Authorized Share Capital *	
50,000 Equity Shares of INR 10/- each	5,00,000
Total	**5,00,000**
Issued, Subscribed and Paid-Up Share Capital *	
50,000 Equity Shares of INR 10/- each fully paid up	5,00,000
Total	**5,00,000**

* As per the Clause 11.1 of the draft Scheme, as an integral part of the Scheme and upon coming into effect of the Scheme, the existing share capital i.e., shares held by the shareholders of the Resulting Company viz. the Demerged Company prior to the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed.

SUMMARY OF PROPOSED TRANSACTION

The management of the Demerged Company is proposing to restructure the business of the Demerged Company by way of a Scheme of Arrangement whereby the Precision Tools Business Undertaking of the Demerged Company will be demerged into the Resulting Company as a going concern with effect from the Appointed Date. The transaction is proposed through a Scheme of Arrangement under Section 230-232 read with Section 66 and other applicable provisions of the Companies Act, 2013.

Pursuant to the Scheme, the Resulting Company will issue its equity shares to the shareholders of the Demerged Company as a consideration to transfer the Precision Tools Business Undertaking of the Demerged Company engaged in the business activity of manufacturing & trading of cutting tools, HSS Taps, HPT, Rotary Burrs, HSS Drills, CST Dies, Spring Washer, Threading Tools and Carbide Tools, and such other precision tools and assets, properties, liabilities and obligations of whatsoever nature and kind and wheresoever situated. Further, the investment of the Demerged Company in the Resulting Company shall stand cancelled.

As presented by Management, the transfer and vesting by way of a demerger shall achieve the following benefits for the Demerged Company and the Resulting Company, as also mentioned in the Scheme of Arrangement:

"The underlying business rationale and objectives are as follows:

1. *The Demerged Undertaking and the Remaining Undertaking have their own set of strengths and dynamics in the form of nature of risks, competition, challenges, opportunities and business methods, leading to different growth potentials. Hence, segregation of the two undertakings would enable a focused management to explore the potential business opportunities effectively and efficiently;*

2. *Each of the varied businesses carried out by the Demerged Company have significant potential for growth and profitability and can attract different set of investors, strategic partners, lenders, etc. Therefore, as these businesses approach their next phase of growth, it would be strategically apt to segregate the Precision Tools business from the Remaining Business.*

3. *The segregation shall enable them to move forward independently, with greater focus and specialization, building on their respective capabilities and their strong brand presence. It will also help to channelize resources required for all the businesses to focus on the growing businesses and attracting right talent and providing enhanced growth opportunities to existing talent in line with a sharper strategic focus on the business segment under separate entity.*

4. *The Scheme will also enable the Demerged Company and the Resulting Company to focus and enhance its respective businesses by streamlining operations and its management structure ensuring better and more efficient management control.*

5. *Bifurcation of these businesses will enable unlocking value of its verticals thereby paving way for focused growth with a view to create significant stakeholder value and at the same time allow investors to allocate their portfolio into separate entities, focused on the distinct entities. Further, it will enable independent and distinct capital allocation approach and balance sheet management based on the distinct needs of each business.*

6. *Thus, the demerger pursuant to this Scheme is expected, inter-alia, to result in the following benefits:*
   i. *Create a sector focused Company;*
   ii. *Unlock the value for the shareholders of the Demerged Company by listing of the shares of the Resulting Company;*
   iii. *Allowing managements of the each of the Demerged Company and the Resulting Company to pursue independent growth strategies;*
   iv. *Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital;*
   v. *Independent collaboration and expansion.*

Pursuant to the Scheme, the equity shares issued by the Resulting Company would be listed on BSE.

SOURCE OF INFORMATION AND REPRESENTATIONS

For the purpose of forming our opinion on the Share Entitlement Report, we have relied on the discussions with the Management of the Demerged Company and the following information and documents made available to us:

- Report on Share Entitlement Ratio dated September 23, 2022 by Aashay Hasmukh Dedhia, Registered Valuer - Securities and Financial Assets;
- Memorandum and Articles of Association of the Demerged Company and the Resulting Company;
- Audited Financial Statements of the Demerged Company for the Financial years ended on March 31, 2022, March 31, 2021 and March 31, 2020 and limited reviewed financial statements for the quarter ended June 30, 2022;
- Draft Scheme of Arrangement between the Demerged company, the Resulting company and their respective shareholders;
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the executives and representatives of the Demerged Company. Our analysis considers those facts and circumstances present at the Demerged Company and Resulting Company at the date of this Fairness Opinion. Our opinion could be different if another date was used.

EXCLUSIONS AND LIMITATIONS

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the Demerged Company for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of the Demerged Company. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the assets of the Demerged Company or the Resulting company. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the Demerged Company or the Resulting company (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the Demerged Company or the Resulting Company and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the Demerged Company or the Resulting Company. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the Demerged Company or the Resulting Company for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the Demerged Company or the Resulting Company with respect to these matters. In addition, we have assumed that the Proposed Scheme of Arrangement will be approved by the regulatory authorities and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Scheme of Arrangement.

We understand that the managements of the Demerged Company or Resulting Company during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary regulatory or other consents or approvals for the Proposed Scheme of Arrangement, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the Demerged Company or the Resulting company may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the Demerged Company or the Resulting company or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a financial advisor to the Demerged Company or the Resulting company for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other unrelated independent professional advisory services to the Demerged Company or the Resulting company in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of the Demerged Company or the Resulting company for the purpose of this transaction and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law. Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatsoever and make no recommendation at all as to the Demerged Company or the Resulting company underlying decision to effect to the proposed transaction or as to how the holders of equity shares or preference shares or secured or unsecured creditors of the Demerged Company or the Resulting company should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of the Demerged Company or Resulting Company will trade following the announcement of the transaction or as to the financial performance of the Demerged Company or the Resulting Company following the consummation of the transaction.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with the Demerged Company.

OUR OPINION

With reference to above and based on information and explanation provided by the management representative of Demerged Company and after analyzing the Draft Scheme of Arrangement, we understand that since Resulting Company is wholly owned subsidiary of Demerged Company, the set of shareholders and holding proportion being proposed for the Resulting Company is identical to the Demerged Company, the beneficial economic interest of the shareholders of the Demerged Company will remain identical / same in the Resulting Company, at the time of demerger. Hence, this demerger being value neutral to the shareholders of the Demerged Company, the Valuer has recommended the share entitlement ratio as under:

"4 (Four) fully paid up equity shares of INR 10/- each of the Resulting Company shall be issued and allotted to the equity shareholders of the Demerged Company for every 1 (One) fully paid up equity shares of INR 10/- each held by them in the Demerged Company as on the Record Date."

Based on the information, data made available to us, including the Share Entitlement Ratio Report of Mr. Aashay Hasmukh Dedhia, Registered Valuer - Securities and Financial Assets, to the best of our knowledge and belief, the share entitlement ratio arrived at by the Valuer under the Draft Scheme of Arrangement, in our opinion, is fair considering that all the shareholders of the Demerged Company are and will upon demerger, be the ultimate beneficial owners of the Resulting Company and in the same ratio (inter se) as they hold shares in the Demerged Company, as on record date to be decided by the Management of the Demerged Company.

The aforesaid Scheme of Arrangement shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the Draft Scheme of Arrangement. Sundae has issued this Fairness Opinion with the understanding the Draft Scheme of Arrangement shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Scheme of Arrangement alters the transaction.

for ***Sundae Capital Advisors Private Limited***
(SEBI Registration No.: INM000012494)

NITIN SOMANI

Digitally signed by NITIN SOMANI
Date: 2022.09.26 08:50:49 +05'30'

NitiN Somani
Director

Shapoorji Pallonji
Built to last... Since 1865

It is hereby certified that the draft Scheme of Arrangement involving Forbes & Company Limited and Forbes Precision Tools and Machine Parts Limited does not, in any way violate, override or limit the provisions of securities laws or requirements of the Stock Exchange(s) and the same is in compliance with the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021, including the following:

Sr. No.	Reference	Particulars	Compliance Status
1	Regulations 17 to 27 of LODR Regulations	Corporate governance requirements.	Complied with Regulations 17 to 27 of SEBI (LODR) Regulations 2015
2	Regulation 11 of LODR Regulations	Compliance with securities laws.	Complied with Regulation 11 of SEBI (LODR) Regulations 2015
Requirements of this circular			
(a)	Para (I)(A)(2)	Submission of documents to Stock Exchanges.	Complied
(b)	Para (I)(A)(3)	Conditions for schemes of arrangement involving unlisted entities.	Complied
(c)	Para (I)(A)(4)(a)	Submission of Valuation Report	Valuation Report dated September 23, 2022 was submitted and compiled
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards.	Auditors certificate dated September 26, 2022 was submitted and complied

FORBES & COMPANY LIMITED MUMBAI

Forbes & Company Limited. Forbes' Building, Charanjit Rai Marg, Fort, Mumbai 400 001. Tel.: + 91 22 61358900 Fax: +91 22 61358901
www.forbes.co.in
CIN No. : L17110MH1919PLC000628

FORBES

(e)	Para 1 (A)(10)	Provision of approval of public shareholders through e-voting	As conditions mentioned in Para 1 (A)(10) of Part 1 of the SEBI Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 are not triggered, no requirement of approval of majority of public shareholders. A certificate from Statutory Auditor dated September 27, 2022 and undertaking from the Company for its non-applicability is submitted in this application.

Mahesh Tahilyani
Managing Director
DIN: 01423084

Rupa Khanna
Company Secretary & Compliance Officer

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Forbes & Company Limited and Forbes Precision Tools and Machine Parts Limited are in compliance with all the Accounting Standards applicable to a listed entity.

Mahesh Tahilyani
Managing Director
DIN: 01423084

Nirmal Jagawat
Chief Financial Officer

26 SEP 2022

Annexure G

REPORT BY THE BOARD OF DIRECTORS OF FORBES & COMPANY LIMITED
[Pursuant to Section 232(2)(c) of the Companies Act, 2013]

REPORT BY THE BOARD OF DIRECTORS OF FORBES & COMPANY LIMITED AT ITS MEETING HELD ON THE 26th DAY OF SEPTEMBER, 2022 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTERS.

1. **Background**

1.1. The Board of Directors (the "Board") of Forbes & Company Limited ("FCL" or the "Demerged Company") at its meeting held on September 26, 2022, had, subject to the approval of members and/ or creditors, as may be required, and other relevant authorities, approved a scheme of arrangement between the FCL, and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders ("Scheme") pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and the rules made thereunder. The Scheme inter alia involves demerger of the Demerged Undertaking (as defined in the scheme) of FCL into FPTL and their respective Shareholders.

1.2. **Relationship subsisting between the Companies involved in the Scheme**

- Forbes Precision Tools and Machine Parts Limited is a wholly owned subsidiary of Forbes & Company Limited.

1.3. Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the members of the Company along with the notice for convening the meeting of the members and/or the creditors, as may be required, to be ordered by the Hon'ble National Company Law of Tribunal, Mumbai Bench ("NCLT"). This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.4. **Share Entitlement Ratio Report**

Following share exchange ratio were recommended in the Share Entitlement Report dated September 23, 2022 issued by Aashay Hasmukh Dedhia, Registered Valuer-Securities and Financial Assets.

"4 (Four) fully paid up Equity Shares of INR 10/- each of FPTL shall be issued and allotted to the Equity Shareholders of FCL, against 1(One) fully paid up Equity Shares of INR 10/- each held by them in FCL."

No special valuation difficulties were reported.

1.5. The following documents were placed before the Board for the purpose of making this report:

- Draft Scheme as recommended by the Audit Committee and Independent Directors of the Board of Directors of the Company at their respective meetings and Reports of the Audit Committee and Independent Directors dated September 26, 2022 thereon;

- Report on recommendation of fair equity share entitlement ratio dated September 23, 2023 submitted by Aashay Hasmukh Dedhia, Registered Valuer-Securities and Financial Assets., for recommendation of the share exchange ratio;

- Fairness Opinion dated September 26, 2022 issued by Sundae Capital Advisors Private Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Aashay Hasmukh Dedhia, Registered Valuer- Securities and Financial Assets;

- Audited financial statements of the Company for the last 3 years and FPTL for the period from the date of its incorporation to March 31, 2023.

2. Effect of the Scheme on equity shareholders (promoters and non-promoter shareholders) of FCL

2.1. The entire issued, subscribed and paid-up capital of FPTL is held by FCL. Upon the Scheme becoming effective, the entire equity share capital of FPTL held by FCL shall stand automatically cancelled and there will not be any issue and allotment of equity shares in FCL.

2.2. FPTL shall issue its equity shares to the shareholders (promoter and non-promoter) of FCL as per terms and conditions, detailed in the Scheme of Arrangement. Pursuant to the Scheme, there will be a cancellation of equity share capital of the FPTL to the extent of equity share capital held by FCL (Pre-demerger) in the FPTL.

3. Effect of the Scheme on Directors and Key Managerial Personnel of FCL

3.1. The Directors, KMP and their respective relatives of the Companies involved in the Scheme may be affected only to the extent of their shareholding in respective companies and to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the said companies, if any. Save as aforesaid, none of the Directors / KMP of the said companies have any material interest in the Scheme.

3.2. Details of the Directors, KMP and their respective relatives of FCL with their shareholding in the Companies involved in the Scheme as on September 26, 2022 are as under:

Sr No	Name of the Directors/ KMP/ Relative	Number of shares	
		FCL	FPTL
1	Shapoorji Pallonji Mistry Chairman Non-Executive, Non-Independent	Nil	Nil
2	Mahesh Chelaram Tahilyani Managing Director Non-Independent, Executive	Nil	Nil
3	Sivanandhan Dhanushkodi Director Non-Executive, Independent	Nil	Nil
4	Jai Laxmikant Mavani Director Non-Executive, Non-Independent	1532	0.01
5	Rani Jadhav Ajit Director Non-Executive, Independent	Nil	Nil
6	Nikhil Jaysinh Bhatia Director Non-Executive, Independent	Nil	Nil
7	Nirmal Chandmal Jagawat Chief Financial Officer	Nil	Nil
8	Rupa Pawan Khanna Company Secretary & Compliance Officer	1	1*

*Nominee(s) of Forbes & Company Limited

For and Behalf of the Board
For Forbes & Company Limited

Mahesh Chelaram Tahilyani
Managing Director
DIN: 01423084

Dated: September 26, 2022

Annexure H

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

Regd. Office: Forbes' Building, Charanjit Rai Marg, Fort, Mumbai – 4000 001, India.
CIN: U29256MH2022PLC389649
Phone No.: 022- 61358900

REPORT BY THE BOARD OF DIRECTORS OF FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
[Pursuant to Section 232(2)(c) of the Companies Act, 2013]

REPORT BY THE BOARD OF DIRECTORS OF FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED AT ITS MEETING HELD ON THE 26th DAY OF SEPTEMBER, 2022 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTERS.

1. **Background**

1.1. The Board of Directors (the "Board") of Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") at its meeting held on September 26, 2022, had, subject to the approval of members and/or creditors, as may be required, and other relevant authorities, approved a scheme of arrangement between the FPTL, and Forbes & Company Limited ("FCL" or the "Demerged Company") and their respective shareholders ("Scheme") pursuant to the provisions of Sections 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act and the rules made thereunder. The Scheme inter alia involves demerger of the Demerged Undertaking (as defined in the scheme) of FCL into FPTL and their respective Shareholders.

1.2. Relationship subsisting between the Companies involved in the Scheme

- Forbes Precision Tools and Machine Parts Limited is a wholly owned subsidiary of Forbes & Company Limited.

1.3. Section 232(2)(c) of the Act requires the directors to adopt a report explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders laying out in particular the share exchange ratio, specifying any special valuation difficulties. The said report is required to be circulated to the members of the Company along with the notice for convening the meeting of the members and/or the creditors, as may be required, to be ordered by the Hon'ble National Company Law of Tribunal, Mumbai Bench ("NCLT"). This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1.4. **Share Entitlement Ratio Report**

Following share exchange ratio were recommended in the Share Entitlement Report dated September 23, 2022 issued by Aashay Hasmukh Dedhia, Registered Valuer-Securities and Financial Assets.

"4 (Four) fully paid up Equity Shares of INR 10/- each of FPTL shall be issued and allotted to the Equity Shareholders of FCL, against 1(One) fully paid up Equity Shares of INR 10/- each held by them in FCL."

No special valuation difficulties were reported.

1.5. The following documents were placed before the Board for the purpose of making this report:

- Draft Scheme as recommended by the Board of Directors of the Company;
- Report on recommendation of fair equity share entitlement ratio dated September 23, 2023 submitted by Aashay Hasmukh Dedhia, Registered Valuer-Securities and Financial Assets., for recommendation of the share exchange ratio;
- Fairness Opinion dated September 26, 2022 issued by Sundae Capital Advisors Private Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Aashay Hasmukh Dedhia, Registered Valuer- Securities and Financial Assets;

2. Effect of the Scheme on equity shareholders (promoters and non-promoter shareholders) of FPTL

2.1. The entire issued, subscribed and paid-up capital of FPTL is held by FCL. Upon the Scheme becoming effective, the entire equity share capital of FPTL held by FCL shall stand automatically cancelled and there will not be any issue and allotment of equity shares in FCL.

2.2. FPTL shall issue its equity shares to the shareholders (promoter and non-promoter) of FCL as per terms and conditions, detailed in the Scheme of Arrangement. Pursuant to the Scheme, there will be a cancellation of equity share capital of the FPTL to the extent of equity share capital held by FCL (Pre-demerger) in the FPTL.

3. Effect of the Scheme on Directors and Key Managerial Personnel of FPTL

3.1. The Directors, KMP and their respective relatives of the Companies involved in the Scheme may be affected only to the extent of their shareholding in respective companies and to the extent that the said Directors / KMP are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in the said companies, if any. Save as aforesaid, none of the Directors / KMP of the said companies have any material interest in the Scheme.

3.2. Details of the Directors, KMP and their respective relatives of FPTL with their shareholding in the Companies involved in the Scheme as on September 26, 2022 are as under:

Sr No	Name of the Directors/ KMP/ Relative	Number of shares	
		FCL	FPTL
1	Nirmal Chandmal Jagawat Chairman Non-Executive, Non-Independent	Nil	Nil
2	Ravinder Chander Prem Director Non-Executive, Non-Independent	Nil	1*
3	Rupa Pawan Khanna Director Non-Executive, Non-Independent	1	1*

*Nominee(s) of Forbes & Company Limited

For and Behalf of the Board
For Forbes Precision and Machine Parts Limited

Nirmal Chandmal Jagawat
Director
DIN: 01854117

Dated: September 26, 2022

Annexure I

Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors are as under:

S. No.	Litigation with authority	Category of Case	Brief Description/ Facts of the Case/ status	Disputed Amount
1	The Customs Excise and Service Tax Appellate Tribunal (CESTAT) - Delhi	Excise Duty & Penalty	The commissioner of Central Excise passed an order denying the benefit of area base exemption to the Company for the period November 2003 to Feb 2008. The company had filed appeal before CESTAT Allahabad for period Nov 2003 to Sep 2005. CESTAT set aside demand against company vide order dated 27.09.2017. Revenue department had filed appeal before Supreme Court challenging the said order. Supreme Court vide order dated 19-11-2019 dismissed the departmental appeal & upheld order passed by CESTAT. However demand for period Oct 2005 to Feb 2008 has reserved in call book by department.	27,22,89,915
2	The Customs Excise and Service Tax Appellate Tribunal (CESTAT) - Mumbai & Directorate General of GST Intelligence- Delhi	Excise Duty	Matters related to MODVAT credit for 1999 - 2000 and applicability of excise duty on design and drawing for 2014-15 to 2017-18.	5,02,619
3	GST - Mazgaon Mumbai	Goods & Service Tax	Denying transitional input credit of sales tax while moving to GST regime. In the year 2017, the company exercised its right to claim transitional credit. Department vide its order unilaterally disallowed the claim. the Company has filed appeal against the said order.	5,44,95,905
4	Department has issued SCN & we are in process of reply same.	Goods & Service Tax	GST Department alleged that F & CL has availed & utilized excess Cenvat credit for the period July 2017 to June 2019 through TRAN-1 wrongly in respect of Central Excise & Service tax	88,63,534
5	Sales Tax Authorities in multiple states	Sales Tax	Non- submission / short submission / disputes in submission of Forms C, Form F etc. in multiple states for the period 2000 - 01 to 2007 - 08	2,73,86,590
6	Sales Tax Authorities in Kolkata, Patna and Maharashtra	Sales Tax	Issue related to sales price / MRP, GST / sales credit mismatch and misc. disputes for the period 1990 - 91 to 1993 - 94, 2017 - 18,	66,38,662
7	The Customs Excise and Service Tax Appellate Tribunal (CESTAT) - Mumbai	Service Tax	The department has passed the order demanding the service tax for the period 2007-08 to 2011-12 & 2012 - 13 for cargo handling service in relation to export cargo considering the storage and warehouse services are taxable in the normal course of business, whereas the Company treated storage & warehouse service are integral part in relation to export cargo and therefore exempt. The Company had filed appeal in April 2019 and pending before CESTAT Mumbai.	4,98,11,020
8	Commissioner of Services Tax -I	Service Tax	Department issued demand on account of earning in foreign currency and transactions with related parties so service tax is applicable. Four SCNs were issued on the said issue for the period April 2005 to March 2013 demanding aggregate service tax of INR 8,95,21,683/. The Company has contested the claim.	8,95,21,683

S. No.	Litigation with authority	Category of Case	Brief Description/ Facts of the Case/ status	Disputed Amount
9	The Customs Excise and Service Tax Appellate Tribunal (CESTAT)	Service Tax	The department has passed the order demanding service tax of INR 8,13,53,819 and penalty of INR 9,23,91,207 under reverse charge mechanism in relation to expenditure incurred in foreign currency for period October 2007 to March 2013. Also service tax of INR 1,50,03,848/- was demanded on the component of exempted service. The Company has filed an appeal before CESTAT, Mumbai in September 2019.	18,87,49,144
10	Join Commissioner - Service Tax	Service Tax	Manpower recruitment or supply agency services for the period '2007-08 to 2011-12 and 2012 - 13 This matter was heard by the Joint Commissioner. However, since no order is passed and a period of six months has elapsed, the matter will be heard again before the show cause notices are adjudicated.	1,43,67,014
11	Directorate General of Foreign Trade (DGFT) & Custom Department	Custom Duty	Interest on duty payment : - 1. DGFT had demanded interest of INR 64,87,912 on duty due to non-fulfilment of export obligation as stated in bond. 2. Custom Department has demanded interest of INR 22,96,197	87,84,109
12	Directorate General of Foreign Trade (DGFT) & Custom Department	Custom Duty	DGFT has issued show cause notice for the submission of proof of export against EPCG licenses. The Company is in process of necessary information's complying the requirements	1,08,76,290
13	Commissioner - Provident Fund	Provident Fund	The Commissioner has allegedly levied damages on delayed remittances made by the Company for pension fund for period 1/4/1996 to 31/03/2006. The Company had paid pension amount along with interest in the 2000. In the scheduled hearing on Aug 22, 2023 the Commissioner - Provident Fund has asked additional detail, which the Company had provided. The Company is awaiting final order or next hearing date.	1,20,35,129
14	Addl. Industrial Tribunal - ESIC court - Bengaluru	ESIC	ESIC department has issued demand for recovery of ESIC for the period March 2014 to December 2016. The Company had submitted that none of employees fall under ESIC act & required documents had submitted. Department has passed garnishee order & directed to bank to pay amount directly on behalf of F & CL. We have appealed matter before Industrial Tribunal & received stay for 50%. Tribunal has directed to pay 50% amount as deposit which have been paid.	7,40,654

S. No.	Litigation with authority	Category of Case	Brief Description/ Facts of the Case/ status	Disputed Amount
15	Commissioner of Income Tax (Appeals)(restored matter)	Income Tax	The assessing officer had mainly disallowed interest expenses and expenses on repairs and maintenance etc. for the period 1990 -91 to 1999-2000 The CIT(A) had decided the appeals in favour of the Company. The Department filed appeals against the CIT(A)'s order. The ITAT has set aside and restored the issue back to the files of CIT(A).	4,43,56,529
16	Bombay High Court	Income Tax	The assessing officer disallowed VRS expenses ,write off of interest free advances for the period 2000-01. The CIT(A) and ITAT has decided the issues in favour of the Company. The department filed appeal against the ITAT order to the Bombay High Court.	1,47,46,399
17	Bombay High Court	Income Tax	For the period 2012 - 13, the assessing officer has made an addition u/s28(iv) of Rs. 120 crores stating that the Company was benefited out of Consent Term Agreement entered on 01/12/2011 and the land which was sold by the Company in terms of MOU was got back by the Company and only 50% of the development rights were sold. The CIT(A) and ITAT decided the issue in favour of the Company. The department has filed appeal to the Bombay High Court.	37,38,10,878

Annexure I

Details of ongoing adjudication & recovery proceedings, prosecution initiated and all other enforcement action taken against the Company, its promoters and directors are as under:

S. No	Category of Case	Name of Plaintiff/Petitioner/ Complainant/Applicant	Brief Description/ Facts of the Case/ status
1	Civil Suit for Eviction	Vedant Properties Private Limited	Suit for eviction filed by Vedant Properties Private Limited in respect of suit permises situated at Crystal Building, Worli Mumbai, in respect of termination of tenancy and inquiry for mesne profit against Forbes & Company Limited and ors. The Suit is pending.
2	Civil Recovery	Wilo Mather and Platt Pumps Private Limited	Suit for recovery filed by Wilo Mather and Platt Pumps Private Limited against Forbes & Company limited in respect of equipments manufactured by third party. The Suit is pending.
3	Civil Recovery	The Board of Trustees of the Port of Mumbai	The Appeal is filed by the Board of Trustees of the Port of Mumbai against the order passed by the City Civil Court, which had imposed liability of payment of sales deficit only on Cresent Exports and not against Forbes Sea Consortium (I) Limited and Conco (India) Shipping Private Limited in the original suit. The Suit is pending.
4	Civil Suit - Writ Petition	Firoz Abubaker Thakur	Writ Petition filed by the tenant of Forbes & Company Limited, Firoz Abubaker Thakur for granting of fresh lease by the Bombay Port Trust in its favour and issue a fresh statement of liability. The Suit is pending.
5	Civil Recovery	The Board of Trustees of the Port of Mumbai	The Suit is filed by The Board of Trustees of the Port of Mumbai for recovery of distruction and other port charges in respect to the goods imported by Metal Extruders (I) Private Limited. The Suit is pending.
6	Civil Recovery	The Board of Trustees of the Port of Mumbai	The Suit was files by the Board of Trustees of the Port of Mumbai against American President Lines Limited and the consignees claiming their demurrage charges in respect of ground rent. Forbes & Company Limited was an agent of its Shipping Principal American President Lines Limited under a Sub-Agency Agreement . The Agreement protected the interests of Forbes & Company Limited as an agent for claims pertaining to the agency period. The indemnity provisions survive the termination of the Agreement, thus safeguarding the interests of Forbes & Company Limited. The Matter is Pending.

S. No	Category of Case	Name of Plaintiff/Petitioner/ Complainant/Applicant	Brief Description/ Facts of the Case/ status
7	Civil Recovery	The Board of Trustees of the Port of Mumbai	The Suit was files by the Board of Trustees of the Port of Mumbai against American President Lines Limited and the consignees claiming their demurrage charges in respect of ground rent. Forbes & Company Limited was an agent of its Shipping Principal American President Lines Limited under a Sub-Agency Agreement . The Agreement protected the interests of Forbes & Company Limited as an agent for claims pertaining to the agency period. The indemnity provisions survive the termination of the Agreement, thus safeguarding the interests of Forbes & Company Limited. The Matter is Pending.
8	Civil Recovery	The Board of Trustees of the Port of Mumbai	The Suit was files by the Board of Trustees of the Port of Mumbai against American President Lines Limited and the consignees claiming their demurrage charges in respect of ground rent. Forbes & Company Limited was an agent of its Shipping Principal American President Lines Limited under a Sub-Agency Agreement . The Agreement protected the interests of Forbes & Company Limited as an agent for claims pertaining to the agency period. The indemnity provisions survive the termination of the Agreement, thus safeguarding the interests of Forbes & Company Limited. The Matter is Pending.
9	Infringment of Patent	Bharat Bhogilal Patel	The Suit is filed by Bharat Bhogilal Patel for infringing his patent rights by the Forbes & Company Limited and anothers. Hence this suit for injunciton. The matter is pending.
10	Eviction Application	The Board of Trustees of the Port of Mumbai	The Executive Application file by the Board of Trustees of the Port of Mumbai against Shakti Sales Agency and Forbes & Company Limited, the there is a stay granted by the High Court in the matter therefore the matter is pending. The matter is pending.
11	Civil suit for specific performance	Aparna Properties Ltd	The suit for specific performance filed by Aparna Properties limited against Forbes & Company Limited and others with respect to flat situated in Volkart House, Bhulabhai Desai Road Mumbai. The Suit is pending.

S. No	Category of Case	Name of Plaintiff/Petitioner/ Complainant/Applicant	Brief Description/ Facts of the Case/ status
12	Civil Recovery	Delta Iron and Steel Co.Pvt Ltd	The suit for recovery filed by Delta Iron and Steel Company Limited against Forbes & Company Limited for recovery of ground rent charges/detention charges and Auction charges. Delta Iron and Steel Company Limited had availed the services of container freight station from Forbes & Company Limited. The matter is pending.
13	CESTAT Matter	Custommisoner of custom	The Appeal is filed in the appellant tribunal against the order passed by the Commissioner of Custom. The Commissioner of Customs has imposed penalty on Forbes & Company Limited. The matter is pending.
14	Civil - Real Estate	Smt. Ramaben Laljibhai Kapadia Since deceased Through LRs Jagdish Laljibhai Kapadia & Ors	The Petitioner by this Writ Petition has challenged the judgement and order passed by the Small Causes Court rejecting the Leave application of the Petitioner. The matter is pending.
15	Civil - Real Estate	Smt. Ramaben Laljibhai Kapadia Since deceased Through LRs Jagdish Laljibhai Kapadia & Ors	The Petitioner has filed the appeal against the order of the trial court rejecting the leave application of the Petitioner. The matter is pending.
16	Civil - Real Estate	Smt. Ramaben Laljibhai Kapadia Since deceased Through LRs Jagdish Laljibhai Kapadia & Ors	The Writ Petition has been filed by the applicants against the rejection of stay application filed by them in the Small causes appeal court. The matter is pending.
17	Civil Suit for Eviction	Killick Nixon Ltd	The Appeal is filed by Killick Nixon limited against order passed by the Small Causes Court to hand over vacant and peaceful possession of the suit premises situated in Lyndewode House, Cumballa Hill, Mumbai to Forbes & Company and others. The matter is pending.
18	Civil Suit for Eviction	Killick Nixon Ltd. and Anuj Kumar Rathi	The Appeal filed by Aparna Properties Private Limited against the order passed by the trial court in the suit for Eviction whereby Aparna Properties along with others were directed to vacate and handover the possession of the suit premises to Forbes & Company Limited. The matter is pending.
19	Eviction Application	The Board of Trustees of the Port of Mumbai	The Eviction Application is filed by the Board of Trustees of the Port of Mumbai against Forbes & Company Limited with respect to warehouse situated at Ghorupdeo, Mumbai, leased to Forbes & Company Limited by Bombay Port Trust. The matter is pending

S. No	Category of Case	Name of Plaintiff/Petitioner/ Complainant/Applicant	Brief Description/ Facts of the Case/ status
20	Company Petition	Madhukar Sawant	The Madhukar Sawant had purchased 378 shares of Forbes & Company Limited in the year 1987 from the open market. The share transfer form was not lodged within the stipulated time with forms by the Madhukar Sawant. The petition is filed to transfer the Shares in the name of the Madhukar Sawant. The matter is pending.
21	Civil Recovery	M/S. DUJODWALA RESINS AND TERPENES PRIVAT LIMITED	The Appeal is filed by M/S. Dujodwala Resins and Terpenes Private Limited against the order passed by Civil Court Bombay High Court in favour of American president Lines Limited and Forbes in respect of wharf age, demurrage and other charged paid by Dujodwala Resins and Terpenes Private Limited to the Bompay Port Trust. The Matter is pending.
22	Civil Recovery	M/S. DUJODWALA RESINS AND TERPENES PRIVATE LIMITED	The Appeal is filed by Dojodwal Resins and Terpenes Private Limited against the order of the Civil Court, for payment of demurrage charged for the containers to Forbes & Company Limited in respect of delayed clearence of goods by Dujodwala Resins and Terpenes Private Limited. The matter is Pending.
23	Testemantary Suit - Share Transfer	Darius K. Soonawala	This is a Testemantary Suit (Share Transfer) filed by Darius K. Soonawala for Probate of last will and testament of Shri Peshotan Farodoon Khambata alias peshotan F khambata alias pehtoan faredoon Khambata a divorcee of parsi Zoroastrain (deceased). The matter is Pending.
24	Bombay Stamp Act	General Stamp Office, Mumbai	The Application is filed by the General Stamps office Mumbai since the scheme of amalgamation franked along with the order of the High Court is inappropriate according to the department. The matter is pending.
25	MahaRERA Complaint - Real Estate	Mr. Vishal Katkoria & Mousita Goswami	The Complaint in MahaRERA filed by Vishal Katkoria and Mausita Goswami for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.
26	MahaRERA Complaint - Real Estate	Mr. Shreekumar R. Bubna & Ms. Ami P Mehta	The Complaint in MahaRERA filed by Shreekumar R. Bubna and Ami P. Mehta for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.

S. No	Category of Case	Name of Plaintiff/Petitioner/ Complainant/Applicant	Brief Description/ Facts of the Case/ status
27	MahaRERA Complaint - Real Estate	Mr. Kunal Krishna and Mrs Stuti Krishna	The Complaint in MahaRERA filed by Kunal Krishnan and Stuti Krishna for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.
28	MahaRERA Complaint - Real Estate	Hemang Oza & Preeti Oza	The Complaint in MahaRERA filed by Hemang Oza and Preeti Oza for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.
29	MahaRERA Complaint - Real Estate	Pravin Baid & Pritha Baid	The Complaint in MahaRERA filed by Pravin Baid and Prith Baid for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.
30	MahaRERA Complaint - Real Estate	Seema Baid & Mohit Baid	The Complaint in MahaRERA filed by Seema Baid and Mohit Baid for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.
31	MahaRERA Complaint - Real Estate	Mr. Karan Keswani	The Complaint in MahaRERA filed by Karan Keswani for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.
32	MahaRERA Complaint - Real Estate	Ms. Prudhvi Nadh Nooney, Mr. Ashwin Sadashiva Poojari Mr. Praveen Maha Venkata Nooney	The Complaint in MahaRERA filed by Prudhvi Nadh Nooney, Ashwin Poojari and Praveen Noney for damages for delayed possession of flat purchased by them from Forbes & Company Limited. The matter is Pending.

Independent Auditor's Limited Review Report on Standalone Unaudited Financial results of FORBES & COMPANY LIMITED for the quarter ended June 30, 2023, Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
FORBES & COMPANY LIMITED
(CIN – L17110MH1919PLC000628)
Forbes Building, Charanjit Rai Marg,
Fort, Mumbai – 400 001

Introduction

1. We have reviewed the accompanying statement of Unaudited Standalone Financial results of **FORBES & COMPANY LIMITED** ("the Company") for the quarter ended on June 30, 2023, together with notes thereon ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Listing Regulations, 2015").

2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors on August 10, 2023, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 *"Interim Financial Reporting"*("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended ("the Act"), read with relevant rules issued there under and other recognised accounting practices and policies generally accepted in India and Regulation 33 of the Listing Regulations in this regard. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India ("ICAI"). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

....2

Conclusion

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 as prescribed under section 133 of the Act and other recognised accounting practices and policies generally accepted in India has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations 2015, in this regard, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other matters

5. The Statement includes the results for the corresponding quarter ended June 30, 2022, which have been reviewed by predecessor auditors who issued their unmodified conclusion vide their reports dated August 13, 2022.

   Our conclusion is not modified in respect of this other matter.

Sharp & Tannan Associates
Chartered Accountants
Firm’s Reg. No.: 0109983W
by the hand of

Parthiv S Desai
Partner
Membership No.: (F) 042624

Mumbai, August 10, 2023

FORBES & COMPANY LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2023

Particulars	Note No.	₹ in Lakhs		As at 30th Jun., 2023 ₹ in Lakhs	*As at 30th Jun., 2022 ₹ in Lakhs*
Assets					
1 Non-current assets					
Property, plant and equipment	**5**			**8,481.74**	*9,172.01*
Right-of-use assets	**45**			**518.21**	*39.30*
Capital work-in-progress	**5.1**			**177.10**	*79.05*
Investment Properties	**6**			**2,157.93**	*2,228.48*
Other Intangible assets	**7**			**101.19**	*130.73*
Intangible assets under development	**7.1**			**-**	*12.13*
Financial Assets:					
i) Investments					
Investments in subsidiaries	**8A**	3,659.87			*3,654.87*
Investments in associates	**8B**	5.88			*5.88*
Investments in joint ventures	**8D**	250.00			*-*
Other Investments	**8C**	6,684.18			*3,071.18*
			10,599.93		*6,731.93*
ii) Loans	**10A**		-		*650.00*
iii) Other financial assets	**11A**		141.03		*145.66*
				10,740.96	*7,527.59*
Tax assets					
i) Deferred tax assets (net)	**20**		879.07		*783.19*
ii) Income tax assets (net)	**24**		482.80		*1,059.16*
				1,361.87	*1,842.35*
Other non-current assets	**14A**			**442.32**	*225.62*
Total Non-current assets				**23,981.32**	*21,257.26*
2 Current assets					
Inventories	**12**			**19,285.61**	*17,604.09*
Financial Assets:					
i) Investments	**8F**		3,149.93		*8,021.01*
ii) Trade receivables	**9**		3,017.14		*3,545.37*
iii) Cash and cash equivalents	**13A**		3,295.39		*4,427.18*
iv) Bank balances other than (ii) above	**13B**		1,576.18		*204.77*
v) Loans	**10B**		10.92		*47.30*
vi) Other financial assets	**11B**		253.34		*113.95*
				11,302.90	*16,359.58*
Other current assets	**14B**			**1,647.04**	*1,390.49*
				12,949.94	*17,750.07*
Asset classified as held for sale	**54**			**-**	*100.91*
Total Current assets				**32,235.55**	*35,455.07*
3 Inter Divn. Balance - Reconciliation Account				**-**	*-*
Total Assets				**56,216.87**	*56,712.33*

FORBES & COMPANY LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2023

Particulars	Note No.	₹ in Lakhs		As at 30th Jun., 2023 ₹ in Lakhs	*As at 30th Jun., 2022 ₹ in Lakhs*
Equity and Liabilities					
Equity					
Equity share capital	**15**		1,289.86		*1,289.86*
Other equity	**16**		22,697.90		*19,467.15*
Total Equity				**23,987.76**	*20,757.01*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**17**	1,201.69			*5,362.65*
ii) Lease liability	**45**	517.29			*17.57*
iii) Other financial liabilities	**18A**	254.49			*139.50*
			1,973.47		*5,519.72*
Provisions	**19A**		752.35		*464.88*
Total Non-current liabilities				**2,725.82**	*5,984.60*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**22**	-			*1,519.69*
ii) Lease liability	**45**	17.73			*6.96*
iii) Trade payables	**23**				
a) total outstanding dues of micro enterprises and small enterprises; and		780.38			*853.85*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,069.96			*4,181.49*
iv) Other financial liabilities	**18B**	1,345.23			*1,656.72*
			5,213.30		*8,218.71*
Other current liabilities	**21**		24,182.50		*19,399.06*
Provisions	**19B**		50.15		*329.86*
Current tax liabilities (net)	**24**		57.34		*2,023.09*
Total Current Liabilities				**29,503.29**	*29,970.72*
Total Liabilities				**32,229.11**	*35,955.32*
Total Equity and Liabilities				**56,216.87**	*56,712.33*
				-	-
Significant Accounting Policies	**2**				
The accompanying notes form an integral part of the financial statements	**3 - 62**				

In terms of our report of even date

For Sharp & Tannan Associates

Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F) 042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 10th August, 2023

For and on behalf of the Board of Directors

M.C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 10th August, 2023

FORBES & COMPANY LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE QUARTER ENDED 30TH JUNE, 2023

	Particulars	Note No.	₹ in Lakhs	Quarter ended 30th Jun., 2023 ₹ in Lakhs	*Quarter ended 30th Jun., 2022 ₹ in Lakhs*
I	Revenue from operations	25	5,854.01		*6,393.43*
II	Other income	26	1,756.01		*20,721.83*
III	**Total Income (I + II)**			**7,610.02**	*27,115.26*
IV	**Expenses:**				
	Real estate development costs	27	986.53		*1,443.80*
	Cost of materials consumed	28A	2,065.69		*2,396.71*
	Purchases of stock-in-trade		40.13		*142.46*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28B	(973.98)		*(1,388.32)*
	Employee benefits expenses	29	1,307.95		*1,294.25*
	Finance costs	30	54.00		*229.90*
	Depreciation and amortisation expense	31	331.82		*329.23*
	Other expenses	32A	1,475.06		*2,392.40*
	Total expenses (IV)			**5,287.20**	*6,840.43*
V	**Profit before exceptional items and tax (III - IV)**			**2,322.82**	*20,274.83*
VI	Exceptional items (net)	32B		**-**	*(42.09)*
VII	**Profit / (loss) before tax (V + VI)**			**2,322.82**	*20,232.74*
VIII	**Tax expense / (credit):**				
	(a) Current tax	33	17.63		*2,170.00*
	(b) (Excess) / short provision for tax of earlier years	33	-		*-*
	(c) Deferred tax	33	576.35		*1,390.00*
				593.98	*3,560.00*
IX	**Profit / (loss) for the year (VII- VIII)**			**1,728.84**	*16,672.74*
X	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to Statement of Profit and Loss				
	(a) Remeasurement of the defined benefit plans			**13.56**	*51.84*
	(b) Fair value changes on Equity instruments through other comprehensive income			**1,563.60**	*130.23*
	(ii) Taxes on items that will not be reclassified to Statement of Profit and Loss				
	(a) Deferred Tax Expenses			**(3.41)**	*-*
				1,573.75	*182.07*
XI	**Total Comprehensive Income / (Loss) for the year (IX + X)**			**3,302.59**	*16,854.81*
XII	**Earning per equity share :**				
	Basic and diluted earnings per equity share (After exceptional items)	34		**₹ 13.40**	*₹ 129.26*
	Basic and diluted earnings per equity share (Before exceptional items)			**₹ 13.40**	*₹ 129.59*

Significant Accounting Policies	2	
The accompanying notes form an integral part of the financial statements	3 - 62	

In terms of our report of even date

For Sharp & Tannan Associates

Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F) 042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 10th August, 2023

For and on behalf of the Board of Directors

M.C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 10th August, 2023

FORBES & COMPANY LIMITED

Statement of changes in Equity for the quarter ended 30th June, 2023

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance as at 31st March, 2022	1,289.86
Changes in equity share capital	-
Balance as at 31st March, 2023	**1,289.86**
Changes in equity share capital	-
Balance as at 30th June, 2023	**1,289.86**

b. Other equity

₹ in Lakhs

Particulars	Reserves and surplus				
	General Reserves	Capital Reserve	Other Comprehensive Income	Retained earnings	Total
Balance as at 31st March, 2022	**39,954.45**	**(93,902.99)**	**(28.16)**	**56,589.04**	**2,612.34**
Profit / (loss) for the year	-	-	-	23,859.16	23,859.16
Payment of Dividend o Equity Shares				(8,384.10)	(8,384.10)
Other comprehensive income / (loss) for the year, net of income tax	-	-	1,307.91	-	1,307.91
Total comprehensive income / (loss) for the year	**-**	**-**	**1,307.91**	**15,475.06**	**16,782.97**
Balance as at 31st March, 2023	**39,954.45**	**(93,902.99)**	**1,279.75**	**72,064.10**	**19,395.31**
Profit / (loss) for the year	-	-	-	1,728.84	1,728.84
Other comprehensive income / (loss) for the year, net of income tax	-	-	1,573.75	-	1,573.75
Total comprehensive income / (loss) for the year	**-**	**-**	**1,573.75**	**1,728.84**	**3,302.59**
Balance as at 30th June, 2023	**39,954.45**	**(93,902.99)**	**2,853.50**	**73,792.94**	**22,697.90** #

For significant accounting policies, Refer Note 2
The accompanying notes form an integral part of the financial statements **3 - 62**

In terms of our report of even date

For Sharp & Tannan Associates

Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F) 042624

NIRMAL JAGAWAT
Chief Financial Officer

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Company Secretary
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Place: Mumbai
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For and on behalf of the Board of Directors

M.C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 10th August, 2023

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

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

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

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

iii) Investments in subsidiaries, associates and joint ventures

Subsidiaries:

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

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

Associates:

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

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

Joint Arrangements:

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

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

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

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

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

iv) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

v) Capital work-in-progress

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

vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16’s requirements for cost model, other than those that meet the criteria to be classified as held for sale shall be measured in accordance with Ind AS 105.

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

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

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

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

ix) Impairment of Assets

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

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

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

xi) Financial instruments

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

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

Financial assets

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

Classification:

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

Impairment of financial assets

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

- The contractual rights to the cash flows from the financial asset expire, or
- 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.

- The company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the company with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- The company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in Ind AS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.
Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately.

Offsetting financial instruments

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

Financial guarantee contracts

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

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

xii) Inventories

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

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as "Real Estate Work in Progress" under Note 12 Inventories.

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

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

xiii) Earnings per share

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

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

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

xiv) Employee Benefits

a) <u>Short-term employee benefits</u>

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

b) <u>Other long-term employee benefits</u>

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

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

<u>Defined Contribution Plans</u>

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

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

<u>Defined Benefit Plans</u>

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

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

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

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

xv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Contingent liability is disclosed for (i) Possible obligations that arises from past events and whose existence 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 (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:-

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

1 **Sale of goods:**

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component
b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred
c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

A contract liability is the Company’s obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

2 **Interest and Dividend Income:**

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

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

3 **Export Incentives:**

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

4 **Revenue from real estate contracts:**

In respect of real estate development projects undertaken by the Company, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

a) the customer simultaneously receives and consumes the benefits provided by the entity’s performance as the entity performs
b) the entity’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced
c) the entity’s performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revene over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units. Considering the terms of the contract, revenue is recognised at a point in time when:

- The Company has transferred to the customer all significant risk and rewards of ownership and the Company retains no effective control of the real estate unit to a degree usually associated with ownership;
- The Company has handed over possession of the real estate unit to the customer or deemed possession based on the contract with the customer;
- No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the real estate unit;
- It is not unreasonable to expect ultimate collection of revenue from customer

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers

xvii) Foreign currency transactions and balances

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

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

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

xviii) Lease accounting

As a lessee:

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

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

- fixed payments (including in substances fixed payments), less any lease incentive receivable
- variable lease payments that depend on an index or a rate,initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of the purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

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

As a lessor:

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

xix) Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xx) Government grants

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

xxi) Borrowing Costs

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

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

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

xxii) 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.

xxiii) Non-current assets held for sale

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

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

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

xxiv) Cash and cash equivalents

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

xxv) Principles of business combinations

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

xxvi) Dividend

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

xxvii) Exceptional Items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements in applying accounting policies

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

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

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind AS 115 involves significant judgement.

3.2.2 Contingent Liabilities and Provisions

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

3.2.3 Useful life and residual value of Property, Plant and Equipment (including investment properties)

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

3.2.4 Fair value measurement and valuation process

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

3.2.5 Impairment

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

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.2.7 Defined Benefit Obligations

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

3.2.8 Deferred Tax Asset

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

4. ADOPTION OF NEW AND AMENDED INDIAN ACCOUNTING STANDARDS

(i) New and amended standards adopted by the Company

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)
b. Ind AS 103: Reference to Conceptual Framework
c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
d. Ind AS 16: Proceeds before intended use Based on preliminary assessment,

the Company has adopted these amendments in its standalone financial statements.

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

(ii) New amendments issued but not effective

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

5A. Property, plant and equipment (Own, unless otherwise stated) for the quarter ended 30th June, 2023.

₹ in Lakhs

	Building and structures *	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment *	Data processing equipments (Finance Lease)	As at 30th Jun., 2023
Cost or Deemed cost								
Balance at 1st April, 2023	4,234.54	71.49	295.00	204.54	186.21	9,429.40	1.02	14,422.19
Additions	-	-	1.91	1.40	0.61	180.06	-	183.97
Disposals	-	-	-	-	-	-	-	-
Transferred from Investment Properties	-	-	-	-	-	-	-	-
Balance at 30th June, 2023	4,234.54	71.49	296.91	205.94	186.82	9,609.46	1.02	14,606.17
Accumulated depreciation								
Balance at 1st April, 2023	597.81	41.27	139.88	183.57	156.15	4,714.50	1.02	5,834.20
Eliminated on disposals of assets	-	-	-	-	-	-	-	-
Depreciation expense for the year	41.85	4.32	10.91	1.66	1.63	229.86	-	290.22
Transferred from Investment Properties	-	-	-	-	-	-	-	-
Balance at 30th June, 2023	639.66	45.60	150.79	185.22	157.78	4,944.36	1.02	6,124.43
Carrying Amount								
Balance at 30th June, 2023	3,594.88	25.89	146.11	20.72	29.04	4,665.10	-	8,481.74

* Refer Note -17 & 49 for Assets pledged.

5B. *Property, plant and equipment (Own, unless otherwise stated) for the previous quarter ended 30th June, 2022.*

₹ In Lakhs

	*Building and structures **	*Vehicles*	*Data processing equipments*	*Office equipments*	*Furniture and fixtures*	*Plant and equipment **	*Data processing equipments (Finance Lease)*	*As at 30th Jun., 2022*
Cost or Deemed cost								
Balance at 1st April, 2022	4,124.97	71.49	304.57	193.78	188.41	9,356.48	1.02	14,240.71
Additions	51.92	-	4.22	10.25	-	103.05	-	169.45
Disposals	-	-	11.37	1.67	-	-	-	13.04
Transferred from Investment Properties (Refer Note 6)	-	-	-	-	-	-	-	-
Balance at 30th June, 2022	4,176.89	71.49	297.41	202.37	188.41	9,459.53	1.02	14,397.12
Accumulated depreciation								
Balance at 1st April, 2022	432.94	23.89	111.43	181.40	151.73	4,041.54	1.02	4,943.94
Eliminated on disposals of assets	-	-	11.37	1.67	-	-	-	13.04
Depreciation expense for the year	40.15	4.33	15.01	1.80	1.72	230.32	-	293.33
Transferred from Investment Properties (Refer Note 6)	-	-	-	-	-	-	-	-
Balance at 30th June, 2022	473.08	28.22	115.07	181.53	153.45	4,271.86	1.02	5,224.23
Carrying Amount								
Balance at 30th June, 2022	3,703.81	43.27	182.34	20.84	34.96	5,187.67	-	9,172.89

** Refer Note -17 & 49 for Assets pledged.*

5.1 (a) Capital work-in-progress **₹ In Lakhs**

Particulars	As at 1st Apr., 2023	Additions	Amounts Capitalised	As at 30th Jun., 2023
Capital work in progress	**182.80**	**178.27**	**183.97**	**177.10**

Previous year

Particulars	*As at 1st Apr., 2022*	*Additions*	*Amounts Capitalised*	*As at 30th Jun., 2022*
Capital work in progress	*81.82*	*166.67*	*169.45*	*79.05*

(b) Capital work-in-progress - Ageing

Current year **₹ In Lakhs**

	Amounts in capital work-in-progress for				
	Less than one year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	177.10	-	-	-	**177.10**
Projects temporarily suspended	-	-	-	-	**-**
Total	177.10	-	-	-	**177.10**

Previous year

	Amounts in capital work-in-progress for				
	Less than one year	*1-2 years*	*2-3 years*	*More than 3 years*	*Total*
Projects in progress	*79.05*	-	-	-	*79.05*
Projects temporarily suspended	-	-	-	-	-
Total	*79.05*	-	-	-	*79.05*

(c) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(d) Title deeds of immovable properties not held in the name of the company :

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (Rs. in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Property, plant and equipment and Investment Property	Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company has not been carried out.
Property, plant and equipment and Investment Property	Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company has not been carried out.
Investment Property	Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).
Investment Property	Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Completed investment properties	**2,157.93**	*2,228.48*
Total	**2,157.93**	*2,228.48*

Cost or Deemed Cost		
Balance at 1st April, 2023 / 1st April, 2022	2,647.11	*2,663.70*
Disposals	9.92	*14.50*
Additions	-	-
Transferred to property, plant and equipment (Refer Note 5B)	-	-
Property classified as held for sale	-	-
Balance at 30th June, 2023 / 30th June, 2022	**2,637.20**	*2,649.21*

Accumulated depreciation		
Balance at 1st April, 2023 / 1st April, 2022	**466.00**	*408.11*
Transferred to property, plant and equipment (Refer Note 5B)	-	-
Disposals	1.85	*2.79*
Depreciation expense for the year	15.12	*15.40*
Balance at 30th June, 2023 / 30th June, 2022	**479.26**	*420.73*

Carrying amount	**-**	
Balance at 30th June, 2023 / 30th June, 2022	**2,157.93**	*2,228.48*

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

₹ In Lakhs

	As at 30th Jun., 2023	*As at 30th Jun., 2022*
	Software / Licences	*Software / Licences acquired*
Cost or Deemed cost		
Balance at 1st April, 2023 / 1st April, 2022	**502.75**	*462.52*
Additions during the year	-	*0.33*
Disposals	-	-
Balance at 30th June, 2023 / 30th June, 2022	**502.75**	*462.85*
Accumulated amortisation		
Balance at 1st April, 2023 / 1st April, 2022	**387.39**	*313.51*
Eliminated on disposals of assets	-	-
Amortisation charge for the year	14.16	*18.61*
Balance at 30th June, 2023 / 30th June, 2022	**401.55**	*332.12*
Carrying Amount		
Balance at 30th June, 2023 / 30th June, 2022	**101.19**	*130.73*

7.1 Intangible assets under development

₹ In Lakhs

Particulars	**As at 1st Apr., 2023**	**Additions**	**Amounts Capitalised**	**Amounts written off**	**As at 30th Jun., 2023**
Intangible asset under development	-	-	-	-	-

Previous year

Particulars	***As at 1st Apr., 2022***	***Additions***	***Amounts Capitalised***	***Amounts written off***	***As at 30th Jun., 2022***
Intangible asset under development	-	*12.13*	-	-	*12.13*

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 30th Jun., 2023 Qty	As at 30th Jun., 2023 Amount	*As at 30th Jun., 2022 Qty*	*As at 30th Jun., 2022 Amount*
Unquoted Investments (all fully paid)				
a) Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	50,385	6.82	*50,385*	*6.82*
2. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	38,64,131	1,781.78	*38,64,131*	*1,781.78*
3. Equity component in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited (Refer Note 57)	-	1,686.26	*-*	*1,686.26*
4. Equity shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 73.00 Lakhs; *(Previous year ₹ 7300.00 Lakhs)*]	7,29,996	-	*7,30,00,000*	-
5. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	4,87,500	180.00	*4,87,500*	*180.00*
6. Equity component in Financial Guarantee given to Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 350.78 Lakhs; *(Previous year ₹ 350.78 Lakhs)*]	-	-	-	-
7. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52) [Provision for impairment in value ₹ 60.00 Lakhs; *(Previous year ₹ 6,015.51 Lakhs)*]	-	-	-	-
8. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	-	-	-	-
9. Equity shares of ₹ 10 each in Forbes Precision Tools & Machine Parts Ltd.	50,000	5.00	-	-
10. Equity shares of Euro 1 each in EFL Mauritius Limited (Refer Note 53)	15,001	-	*15,001*	-
11. Equity shares of CHF 1,000 each in Forbes Lux International AG (Refer Note 53)	33,500	-	*33,500*	-
b) Preference Shares (at amortised cost)				
1. Preference Shares of Euro 1 each fully paid up in EFL Mauritius Limited (Refer Note 53)	-	-	*2,87,05,230*	-
2. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1)	-	-	-	-
3. FTL-6% Non-Cumm,Non-Convrt, redmble Pref shares	-	0.00	-	-
Total		**3,659.87**		*3,654.86*

8B. Investments in associates

₹ In Lakhs

Particulars	As at 30th Jun., 2023 Qty	As at 30th Jun., 2023 Amount	*As at 30th Jun., 2022 Qty*	*As at 30th Jun., 2022 Amount*
Unquoted Investments (all fully paid)				
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	58,849	5.88	*58,849*	*5.88*
Total		**5.88**		*5.88*

8C. Other investments

Non Current

₹ In Lakhs

Particulars	As at 30th Jun., 2023 Qty	As at 30th Jun., 2023 Amount		*As at 30th Jun., 2022 Qty*	*As at 30th Jun., 2022 Amount*	
Quoted Investments (all fully paid)						
Equity Instruments (at fair value through OCI)						
1. Equity shares of ₹ 10 each in Eureka Forbes Limited	12,00,000	6,684.00		*37,78,000*	*3,071.00*	
TOTAL AGGREGATE QUOTED INVESTMENTS (A)		**6,684.00**			*3,071.00*	
Unquoted Investments (all fully paid)						
Equity Instruments (at fair value through Profit or Loss)						
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	5,500	0.05		*5,500*	*0.05*	
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce [Provision for impairment in value ₹ 0.05 Lakhs; *(Previous year ₹ 0.05 Lakhs)*]	10	0.00	*	*10*	*0.00*	*
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	1,000	0.10		*1,000*	*0.10*	
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited [Provision for impairment in value ₹150.33 Lakhs; (*Previous year ₹ 150.33 Lakhs)*] (Refer Note 43)	4,20,170	0.00	*	*4,20,170*	*0.00*	*
5. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited [Provision for impairment in value ₹ 271.26 Lakhs*; (Previous year ₹271.26 Lakhs)*] (Refer Note 2 below)	8,64,960	0.00	*	*8,64,960*	*0.00*	*
6. Equity shares of USD 1 each in Edumetry Inc. USA [Provision for impairment in value ₹ 35.48 Lakhs; *(Previous year ₹ 35.48 Lakhs)*] (Refer Note 4 below)	2,500	0.00	*	*2,500*	*0.00*	*
7. Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	100	0.03		*100*	*0.03*	
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)		**0.18**			*0.18*	
Total (A + B)		**6,684.18**			*3,071.18*	

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

Notes:

1. Pursuant to NCLT and Bombay High Court approval vide order dated 21st January, 2022 for capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), 2,01,25,000 equity shares of Rs. 10 each and 87,50,000 preference shares of Rs. 10 each were cancelled.

   Further, SPFSL has incurred a loss of ₹ 879.84 Lakhs during the previous year ended 31st March, 2022 and SPFSL has sold some of its shipping vessels on which exceptional loss was incurred in the previous as well as in 31st March, 2021. As at the previous year-end only one ship remains and has been sold. Consequently, the recoverable value from use/ sale of the remaining vessels in SPSFL is lower as compared to the carrying value of the investment in SPFSL and an impairment provision of ₹ 791.41 Lakhs and ₹ 3,305.13 Lakhs respectively for the previous quarter and previous year ended 31st March, 2022 has been recorded as an exceptional expense.

   Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved the termination of the Joint Venture Agreement between Shapoorji Pallonji Forbes Shipping Limited ("SPFSL"), Sterling Investment Corporation Private Limited and G. S. Enterprises dated 1st December, 2014 with effect from close of business hours on 28th February, 2022. Consequently, w.e.f. 1st March, 2022, SPFSL ceases to be a subsidiary of the Company and now stands as an associate.

   The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022.

   During one of the earlier year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary of the Company whereby 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, the Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same was disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017.

2. Forbes Container Line Pte. Ltd., Singapore (“FCLPL”), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.

3. Edumetry Inc., USA , a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements. The Company has made full provision for these investments in earlier years.

8D. Investments in Joint Ventures

₹ In Lakhs

Particulars	As at 30th Jun., 2023 Qty	As at 30th Jun., 2023 Amount	*As at 30th Jun., 2022 Qty*	*As at 30th Jun., 2022 Amount*
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Forbes Concept Hospitality Services Private Limited	26,25,000	-	*26,25,000*	-
2. Equity Investment in Forbes Macsa Private Limited	10,00,000	100.00	-	-
Preferece Shares				
1. Preference Shares in Forbes Macsa Private Limited	15,00,000	150.00	-	-
Total		**250.00**		-

Note : The Company has paid ₹ 99.50 Lakhs for Equity shares of ₹ 10 each and Pref. shares of ₹ 150.00 Lakhs.

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

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Financial assets carried at fair value through profit or loss		
Equity Instruments	0.18	*0.18*
Financial assets carried at fair value through OCI		
Equity Instruments	6,684.00	*3,071.00*
	6,684.18	*3,071.18*
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	1,686.26	*1,686.26*
Equity shares (Unquoted)	1,979.49	*1,974.48*
	3,665.75	*3,660.74*
Total	**10,349.93**	*6,731.92*
Note:		
Aggregate amount of unquoted investments (net of impairment)	**3,665.93**	*6,731.92*
Aggregate amount of impairment in value of investments	**590.12**	*14,123.41*

8. Current Investments

8F. Investments in Mutual Funds

₹ In Lakhs

Particulars	As at 30th Jun., 2023 Qty	As at 30th Jun., 2023 Amount	*As at 30th Jun., 2022 Qty*	*As at 30th Jun., 2022 Amount*
Unquoted Investments				
HDFC Mutual Fund	19,098.083	851.47	-	*3,007.83*
ICICI Prudential Mutual Fund	3,80,789.130	1,280.52	-	*2,506.56*
SBI Mutual Fund	28,632.183	1,017.94	-	*2,506.62*
TOTAL INVESTMENTS		**3,149.93**	**-**	*8,021.01*

9. Trade receivables

₹ In Lakhs

Particulars		As at 30th Jun., 2023	*As at 30th Jun., 2022*
Trade receivables			
a) Trade receivables from contract with customers – billed		3,615.02	*4,238.86*
b) Trade receivables from contract with customers – related parties		3,449.32	*3,078.36*
c) Less: Loss allowance		4,047.20	*3,771.86*
Total		**3,017.14**	*3,545.38*
Break-up of security details			
a) Secured, considered good		**116.39**	*92.52*
b) Unsecured, considered good		**2,900.75**	*3,452.86*
c) Doubtful		**4,047.20**	*3,771.86*
		7,064.34	*7,317.23*
Less: Allowance for doubtful debts (expected credit loss allowance)	*	**4,047.20**	*3,771.86*
Total		**3,017.14**	*3,545.38*

Note:

* Provision for doubtful debts includes provision on receivables from Forbes Technosys Ltd. ₹ 101.39 Lakhs, and persuant to the merger and demerger of EFL, from LIAG ₹ 3,223.84 Lakhs.

9.1 Trade receivables

Debts due by private companies in which a director is a director / member (₹ in Lakhs) (Refer Note 40)	**1.33**	*3.61*
Less : Allowance for doubtful debts (expected credit loss allowance)	**-**	*-*
Net Debts	**1.33**	*3.61*

For trade receivables from related parties (Refer Note 40).

The average credit period on sales is approximately 50 days *(Previous year 50 days)* .

There was a customer namely Krishna American Machinery Company whose outstanding is ₹ 161.00 Lakhs (other than intercompany balances) who represent more than 5% of the total balance of trade receivables.

10. Loans

10A. Non Current

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Advances to related parties		
- Secured, considered good	-	*650.00*
- Unsecured, considered good	-	-
- Unsecured, considered doubtful	14,769.58	*13,336.42*
Less : Allowance for bad and doubtful advances	14,769.58	*13,336.42*
sub total (a)	-	*650.00*
b) Loans to related parties		
- Secured, considered good	-	-
- Unsecured, considered doubtful	29,387.21	*26,520.50*
Less : Allowance for doubtful loans	29,387.21	*26,520.50*
sub total (b)	-	-
c) Loans to others		
- Secured, considered good	-	-
- Unsecured, considered doubtful	4,391.78	*4,391.78*
Less : Allowance for bad and doubtful loans	4,391.78	*4,391.78*
sub total (c)	-	-
Total (a+b+c)	-	*650.00*

10B. Current

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Loans to related parties		
- Secured, considered good	-	-
- Unsecured, considered doubtful (Refer Notes 32B and 52)	6,469.25	*6,235.73*
Less : Allowance for bad and doubtful loans	6,469.25	*6,235.73*
Total (a)	-	-
b) Loans and advances to employees		
- Secured, considered good	-	-
- Unsecured, considered good	10.92	*47.30*
Total (b)	10.92	*47.30*
c) Loans to others		
- Unsecured, considered doubtful (Refer Notes 8 and 46)	375.00	*375.00*
Less : Allowance for bad and doubtful loans	375.00	*375.00*
Total (c)	-	-
Total (a+b+c)	10.92	*47.30*

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

	As at 30th Jun., 2023 Amount outstanding	*As at 30th Jun., 2022 Amount outstanding*
a) amounts repayable on demand		
- Other related parties*	35,856.47	*32,756.23*
	35,856.47	*32,756.23*

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	35,856.47	*100%*

* The above mentioned loans to related parties are fully provided as on March 31, 2023 and March 31, 2022.

11. Other financial assets

11A. Non current

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Security deposits		
- Unsecured, considered good	**141.03**	*143.68*
- Doubtful	**2.89**	*2.89*
Less : Allowance for bad and doubtful deposits	**2.89**	*2.89*
Total (a)	**141.03**	*143.68*
b) Balance held as margin money with banks with remaining maturity period of more than 12 months		
- Unsecured, considered good	**-**	*1.98*
Total (b)	**-**	*1.98*
c) Accruals:		
i) Inter Corporate Deposits to related parties and Advances to related parties	**7,859.28**	*7,092.61*
Less : Allowance for doubtful interest	**7,859.28**	*7,092.61*
Total (c)	**-**	*-*
Total (a+b+c)	**141.02**	*145.66*

11B. Current

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Accruals:		
i) Interest accrued on deposits with bank	**13.63**	*4.68*
ii) Interest accrued on investments	**-**	*-*
iii) Interest accrued on loans, considered doubtful (Refer Note 40 and Note 52)	**126.78**	*126.78*
Less : Allowance for doubtful interest	**126.78**	*126.78*
Total (a)	**13.63**	*5.04*
b) Contractually reimbursable expenses from related parties		
- Unsecured, considered good	**234.73**	*100.60*
- Doubtful (Refer Note 40 and Note 52)	**313.73**	*228.67*
Less : Allowance for doubtful debts	**313.73**	*228.67*
Total (b)	**234.73**	*100.60*
c) Other current receivables		
- Unsecured, considered good (Refer Note 44)	**4.99**	*8.32*
Total (c)	**4.99**	*8.32*
Total (a+b+c)	**253.34**	*113.95*

12. Inventories

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Inventories (lower of cost and net realisable value)		
Raw materials including packing materials [In transit ₹ 5.55 Lakhs; *(Previous year ₹ 287.74 Lakhs)*]	**965.81**	*1,733.53*
Work-in-progress	**1,203.22**	*825.76*
Finished goods [In transit ₹ 343.06 Lakhs; *(Previous year ₹ 199.45 Lakhs)*]	**1,242.81**	*1,374.79*
Stock-in-trade [In transit ₹ Nil; *(Previous year ₹ 12.14 Lakhs)*]	**143.73**	*234.85*
Stores and spares	**137.94**	*149.02*
Real estate work-in-progress (Refer Note 50)	**15,592.08**	*13,286.15*
Total	**19,285.61**	*17,604.09*

Note:
The cost of inventories recognized as an expense/(Gain) includes (₹ 11.59 Lakhs)
In previous year ₹ 360.82 Lakhs in respect of write-downs to net realizable value respectively.

13. 13A. Cash and cash equivalents

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Balances with Banks		
a) In Current Accounts	**2,199.13**	*2,322.39*
b) In EEFC Account [USD 30,182.47; *(Previous year USD 80,631.91)* and EUR Nil; *(Previous year EUR 837.68)*]	**23.84**	*33.05*
c) In deposit accounts (with original maturity upto 3 months)	**1,072.43**	*2,071.63*
	3,295.39	*4,427.06*
Cash on hand	**-**	*0.11*
Total	**3,295.39**	*4,427.18*

13B. Other Bank balances

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Earmarked balance with the banks:		
- Unpaid dividends	**64.67**	*24.12*
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited under lien.	**1,128.44**	-
c) Balances held as margin money / under lien with remaining maturity of less than 12 months *	**383.06**	*180.64*
Total	**1,576.18**	*204.77*

Note:

* Includes ₹ 116.79 Lakhs FD Guarantee given by FTL to the bank.

14. Other assets

14A. Non Current

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Capital Advances	**235.37**	*5.09*
b) Prepaid expenses	**64.76**	*78.36*
c) Balances with government authorities		
- Unsecured, considered good	**92.26**	*92.27*
- Doubtful	**73.31**	*83.31*
Less : Allowance for doubtful balances	**73.31**	*83.31*
	92.26	*92.27*
d) Advance wealth tax	**49.94**	*49.94*
Total	**442.32**	*225.62*

14B. Current

₹ In Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Advances for supply of goods and services		
- Unsecured, considered good	**296.78**	*328.27*
- Doubtful	**14.19**	*24.09*
Less : Allowance for doubtful advances	**14.19**	*24.09*
	296.78	*328.27*
b) Advance to HDFC Life - Leave Encashment	**137.97**	-
c) Provision for Gratuity/Provision for Gratuity Fund with LIC - Debit balance Company level	**0.64**	*56.75*
d) Prepaid expenses	**1,159.27**	*896.02*
e) Balances with government authorities	**39.15**	*90.94*
f) Export incentives receivables	**13.22**	*18.51*
g) Others	**-**	-
Total	**1,647.04**	*1,390.49*

15. Equity share capital

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
		₹ in Lakhs
Authorised Share capital :		
4,30,50,000 fully paid equity shares of ₹ 10 each		
(Previous year 4,30,50,000)	**4,305.00**	*4,305.00*
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each		
(Previous year 1,28,98,616)	1,289.86	*1,289.86*
	1,289.86	*1,289.86*

During Previous year, the Authorised Share Capital of the Company was increased from ₹ 1,50,00,000 to ₹ 4,30,50,000 pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal vide order dated January 25, 2022 (Refer Note 53).

Notes:

1 Fully paid equity shares

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

Rights, preferences and restrictions attached to equity shares

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

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

Particulars	Fully paid ordinary shares	
	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Shapoorji Pallonji and Company Private Limited, the holding company	93,59,293	*93,59,293*
Forbes Campbell Finance Limited, subsidiary of the company	1,66,398	*1,66,398*
Total	**95,25,691**	*95,25,691*

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

Particulars	As at 30th Jun., 2023		*As at 30th Jun., 2022*		
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*	% Change during the year
Fully paid equity shares					
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*	-
India Discovery Fund Limited	**11,48,255**	**8.90**	*11,48,255*	*8.90*	-
Total	**1,05,07,548**	**81.46**	*1,05,07,548*	*81.46*	-

4 The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

5 Details of shareholding of promoters

Name of the promoter	As at 30th Jun., 2023		*As at 30th Jun., 2022*		
	Number of shares held	% holding in the class of shares	*Number of shares held*	*% holding in the class of shares*	% Change during the year
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*	-
Forbes Campbell Finance Limited	**1,66,398**	**1.29**	*1,66,398*	*1.29*	-
Total	**95,25,691**	**73.85**	*95,25,691*	*73.85*	-

16. Other equity

	Particulars		As at 30th Jun., 2023	*As at 30th Jun., 2022*
				₹ in Lakhs
a)	**General reserve**			
	Balance at beginning of the year		39,954.45	*39,954.45*
	Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	-	-
	Balance as at the year end		**39,954.45**	*39,954.45*
b)	**Capital reserve**			
	Balance at beginning of the year		(93,902.99)	*(93,902.99)*
	Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	-	-
	Capital reserve created on merger (Refer note 53) *		-	-
	Balance at end of the year		**(93,902.99)**	*(93,902.99)*
c)	**Retained earnings**			
	Balance at beginning of the year		**72,064.10**	*56,589.04*
	Less: Inter divisional P&L Mar.22 qtr to Corporate		-	-
	Balance at beginning of the year		**72,064.10**	*56,589.04*
	Profit for the year		**1,728.84**	*16,672.74*
	Payment of dividends on equity shares		-	-
	Deemed Dividend (Refer note 53)		-	-
	Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	-	-
	Inter divisional P&L Mar.23 tr to Corporate		-	-
	Balance at end of the year		**73,792.94**	*73,261.79*
d)	**Other comprehensive income**			
	Balance at beginning of year		1,279.75	*(28.16)*
	Add: OCI Current		1,573.75	*182.07*
	Balance at end of the year		**2,853.50**	*153.91*
	Total		**22,697.90**	*19,467.16*

(i)	Equity shares Deemed Dividend for the previous year 31st March, 2022 of 3,152.28 per equity share fully paid share had been distributed pursuant to the Composite Scheme of Arrangement approved by the Board of Directors of the Company at their Board meeting dated 8th September, 2020. This Scheme was sanctioned by the NCLT vide order dated 25th January, 2022.	-	-

* The impacts of the reserves taken over as a result of the merger as per the composite scheme of arrangement (Refer note 53), have been determined to the extent practically identifiable by the Company.

During the quarter ended 30th September 2022, the Company has paid Special interim dividend of ₹ 65/- per fully paid equity share of ₹ 10 each for financial year 2022-23 after completing all the necessary compliances.

Description of Reserves :

Retained Earnings: Retained earnings represent the amount of accumulated earnings of the Company

Securities premium reserve: The amount received in excess of the par value of equity shares has been classified as securities premium.

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to

Capital Redemption Reserve: As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve

Other Comprehensive income: This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at fair value through Other comprehensive Income, net of amounts reclassified, If any , to Retained Earnings when those instruments are disposed off.

Capital Reserve: During merger, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

17. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 30th Jun., 2023	*As at 30th Jun., 2022*	**As at 30th Jun., 2023**	*As at 30th Jun., 2022*
(a) Term loans				
From banks				
i) **DCB Bank Limited Term Loan** - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. [Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4th April, 2022 and last installment is due on 4th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan - Additional borrowings of Rs. 487.6 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 4th February, 2024 and last installment is due on 4th January, 2028. Rate of interest is EBLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan]	**1,201.69**	*1,192.54*	**-**	*220.39*
ii) **DCB Bank Limited Term Loan** - Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. [Repayable as per the repayment schedule agreed with the bank from time to time. First installment is due in 31st October, 2020 and last installment is due in 30th April, 2024. Rate of interest in the range of 9.70% p.a. to 10.45% p.a.]	**-**	*1,317.85*	**-**	*800.00*
iii) **Toyota Financial Services Loan - Secured against hypothecation of Car (Refer Note 49)** [Repayable as per the repayment schedule agreed with the financial institution from time to time. First installment is due in 20th September, 2021 and last installment is due in 20th August, 2026. Rate of interest is 8.26% p.a.]	**-**	*23.87*	**-**	*6.36*
iv) **Federal Bank Limited Term Loan** - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [- Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31st January, 2022 and last installment is due in 2nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a. - Additional borrowings of Rs. 1,296 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 2nd April, 2024 and last installment is due on 29th March, 2028. Rate of interest is Repo rate + 5.25% spread p.a.]	**-**	*2,669.98*	**-**	*450.33*
v) **Federal Bank Limited Term Loan** - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 24th July, 2022 and last installment is due in 24th June, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**-**	*119.08*	**-**	*32.92*
vi) **Federal Bank Limited Term Loan** - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 2nd August, 2022 and last installment is due in 2nd July, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**-**	*39.32*	**-**	*9.68*
	1,201.69	*5,362.65*	**-**	*1,519.69*
Less: Amount disclosed under “Current Borrowings”	**-**	*-*	**-**	*(1,519.69)*
Total	**1,201.69**	*5,362.65*	**-**	*-*

18. Other financial liabilities

18A. Non Current

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Security deposits	**254.49**	*139.50*
Total	**254.49**	*139.50*

18B. Current

₹ in Lakhs

	Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a)	Interest accrued but not due on borrowings	**7.92**	*24.11*
b)	Unpaid dividends **	**64.67**	*24.12*
c)	Others :-		
	- Payables on purchase of fixed assets	**10.46**	*184.60*
	- Security deposits	**433.79**	*442.23*
	- Other Payables	**145.53**	*124.67*
	- Deposits and other charges payable to society	**682.88**	*857.00*
	Total	**1,345.23**	*1,656.72*

** In the previous year, the Company has transferred ₹ 0.04 Lakhs and ₹ 0.00 pertaining to unpaid dividend of 2012-13 and 2013-14 respectively to the Investor Education and Protection Fund (IEPF)/ custodians on June 2, 2021 on settlement of outstanding matters.

19. Provisions

19A. Non current

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Employee benefits		
Gratuity (Refer Note 35)	**-**	-
Other post retirement benefits (Refer Note 35)	**182.58**	*199.38*
b) Other Provisions (Refer Note 1 below)	**569.77**	*265.49*
Total (a+b)	**752.36**	*464.88*

19B. Current

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Employee benefits		
Compensated absences	**-**	*296.85*
Gratuity (Refer Note 35)	**17.13**	-
Other post retirement benefits (Refer Note 35)	**33.01**	*33.01*
Total	**50.15**	*329.86*

Note : 1

Other Provisions

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Balance at the beginning of the year	**265.49**	*311.50*
Add: Provisions made during the year	304.28	-
Less: Utilisation / reversal during the year	-	*46.01*
Balance at the end of the year	**569.77**	*265.49*

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

20. Deferred tax balances

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

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Deferred tax assets	**879.06**	*1,412.37*
Deferred tax liabilities	**-**	*(629.18)*
Net	**879.06**	*783.19*

21. Other liabilities

Current

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
a) Advances from customers [includes ₹ 22,680.64 Lakhs; *(Previous year ₹ 15,763.99 Lakhs)* towards installments received from customers towards real estate development projects in progress] (Refer Note 50)	**23,389.56**	*18,150.10*
b) Statutory remittances	**278.45**	*127.13*
c) Others		
- Payable to Employees	**482.22**	*1,089.98*
- Others	**32.28**	*31.85*
- Advance for land sale	**-**	*-*
Total	**24,182.51**	*19,399.06*

22. Borrowings

Current

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Current maturities of long term borrowings	**-**	*1,519.69*
Unsecured - at amortised cost		
a) **Credit card facility availed from Axis Bank** (Tenure of 51 days)	**-**	*-*
Total	**-**	*1,519.69*
Secured - at amortised cost		
Loans repayable on demand		
From banks		
i) Cash credit from consortium of banks - Secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia.	**-**	*-*
Total	**-**	*1,519.69*

During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

23. Trade payables

Current

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Micro and small enterprises	**780.38**	*853.85*
Others (includes due to related parties as per Note 40)	**3,069.96**	*4,181.49*
Total	**3,850.35**	*5,035.35*

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	30th Jun., 2023	*30th Jun., 2022*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**504.36**	*438.22*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0.34**	*1.28*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**4,782.17**	*2,698.28*
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	*-*
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	*-*
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**59.02**	*32.39*
Further interest remaining due and payable for earlier years	**115.29**	*79.09*

24. Income tax assets and liabilities

₹ in Lakhs

Particulars	As at 30th Jun., 2023	*As at 30th Jun., 2022*
Tax assets		
Tax refund receivable (net)	**482.80**	*1,059.16*
	482.80	*1,059.16*
Tax liabilities		
Income tax payable (net)	**57.34**	*2,023.09*
	57.34	*2,023.09*
Net Asset	**425.46**	*(963.93)*

25. Revenue from operations

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

₹ in Lakhs

Particulars		Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
a) Income from real estate contracts		-	*199.34*
b) Sales			
Sale of products			
i) Finished Goods		**5,321.94**	*5,668.90*
ii) Traded Good		**54.04**	*90.40*
		5,375.98	*5,759.30*
Sale of services			
i) Service income		**30.63**	*32.05*
		30.63	*32.05*
c) Other operating revenues			
i) Rent and amenities		**426.76**	*380.64*
ii) Export incentives		**17.56**	*13.43*
iii) Others (mainly includes scrap sales)		**3.07**	*8.68*
		447.38	*402.74*
Total		**5,854.01**	*6,393.43*

26. Other Income

₹ in Lakhs

Particulars		Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
a) Interest Income			
Interest income earned on financial assets that are not designated as at fair value through profit or loss:			
i) Bank deposits		**65.19**	*7.17*
ii) Inter-corporate deposit		**0.34**	*0.39*
iii) Customers and others		**3.17**	*(0.45)*
Total (a)		**68.69**	*7.12*
b) Dividend Income			
i) from long-term investments		-	-
Total (b)		-	-
c) Other Non-Operating Income			
i) Credit balances / excess provision written back		-	-
ii) Interest on Income Tax/ Wealth Tax refund		**15.63**	-
iii) Miscellaneous income (mainly includes recoveries from group companies)		**16.83**	*6.11*
iv) Recoveries of doubtful debts		-	-
Total (c)		**32.46**	*6.10*
d) Other gains and losses			
i) Gain on disposal of property, plant and equipment		**1,623.56**	*20,674.88*
ii) Gain on disposal of current investments		**31.30**	*21.01*
iii) Gain on fair value / interest of long-term investments in subsidiaries		-	-
iv) Net foreign exchange gains		-	*12.48*
v) Guarantee Commission (including notional income recognised)		-	*0.24*
vi) Unrealised gain/loss		-	-
Total (d)		**1,654.86**	*20,708.60*
Total (a + b + c + d)		**1,756.01**	*20,721.83*

27. Real estate development costs

₹ in Lakhs

Particulars		Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
i)	Material and Contractual Payments	**940.37**	*1,373.44*
ii)	Fees for technical services / design and drawings	**10.63**	-
iii)	Project Management Consultancy Fees	**7.01**	*50.43*
iv)	Fees-filing with Statutory Authourities	**11.54**	-
v)	Interest on borrowings	**-**	-
vi)	Operation and maintenance expenses	**16.97**	*19.92*
	Total	**986.53**	*1,443.79*

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

₹ in Lakhs

Particulars	Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
Opening stock of raw materials including packing materials	**719.39**	*1,869.28*
Purchases	**2,312.12**	*2,260.96*
	3,031.50	*4,130.24*
Less: Closing stock of raw materials including packing materials	**965.81**	*1,733.53*
	2,065.69	*2,396.71*

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

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

a)	**Inventories at the end of the year:**		
i)	Finished goods	**1,242.81**	*1,374.79*
ii)	Work-in-progress	**1,203.22**	*825.76*
iii)	Stock-in-trade	**143.73**	*234.85*
iv)	Real estate development work-in-progress	**15,592.09**	*13,286.15*
		18,181.85	*15,721.54*
b)	**Inventories at the beginning of the year:**		
i)	Finished goods	**1,341.32**	*1,388.16*
ii)	Work-in-progress	**1,028.68**	*817.19*
iii)	Stock-in-trade	**232.32**	*154.09*
iv)	Real estate development work-in-progress	**14,605.56**	*11,973.79*
		17,207.88	*14,333.23*
	Net increase (b)-(a)	**(973.98)**	*(1,388.33)*

29. Employee benefits expense

₹ in Lakhs

Particulars		Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
i)	Salaries and Wages (Refer Note 35 II D)	**1,155.68**	*1,139.47*
ii)	Contribution to provident and other funds (Refer Note 35)	**84.03**	*81.65*
iii)	Staff Welfare Expenses	**68.23**	*73.13*
	Total	**1,307.94**	*1,294.25*

30. Finance costs

₹ in Lakhs

	Particulars	Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
(a)	**Interest costs :-**		
	i) Interest on bank overdrafts and loans	**28.08**	*221.32*
	ii) Interest expenses on lease liabilities	**12.84**	*0.60*
	iii) Delayed payment of taxes	**0.18**	*0.13*
	iv) Other interest expense	**11.58**	*5.53*
		52.68	*227.58*
(b)	Other borrowing costs	**1.32**	*2.32*
	Total	**54.00**	*229.90*

31. Depreciation and amortisation expense

₹ in Lakhs

	Particulars	Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
i)	Depreciation on property, plant and equipment (Refer Note 5)	**290.23**	*293.33*
ii)	Depreciation of investment properties (Refer Note 6)	**15.12**	*15.40*
iii)	Depreciation Right-of-use assets (Refer Note 45)	**12.31**	*1.88*
iv)	Amortisation of intangible assets (Refer Note 7)	**14.16**	*18.61*
	Total	**331.82**	*329.23*

32. A. Other expenses

₹ in Lakhs

Particulars	₹ in Lakhs	Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
Consumption of stores and spare parts		**183.38**	*163.75*
Processing charges		**305.06**	*309.29*
Power and fuel		**142.32**	*134.07*
Service charges		**113.57**	*106.15*
Rent and hire charges		**1.60**	*652.82*
Repairs and maintenance to :			
i) Buildings	18.81		*35.33*
ii) Plant and machinery	88.19		*88.51*
iii) Others	63.17		*53.89*
		170.17	*177.72*
Insurance		**11.80**	*14.93*
Rates and taxes		**24.86**	*40.30*
Selling expenses, commission and brokerage		**12.11**	*63.46*
Freight and outward charges		**79.40**	*95.41*
Advertisement and sales promotion		**108.91**	*156.75*
Printing and Stationery		**5.12**	*6.69*
Communication		**9.38**	*17.31*
Legal and professional charges		**138.03**	*139.15*
Travelling and conveyance		**66.29**	*83.46*
Trade receivables written off	-		*(0.49)*
Less: Provision held	-		*(0.49)*
		-	*-*
Advances written off	0.00		*-*
Less: Provision held	-		*-*
		0.00	*-*
Provision for doubtful trade receivables		**(12.43)**	*14.74*
Provision for doubtful loans and advances		**(0.23)**	*-*
Provision for doubtful Contractually reimbursable expenses to related parties		**0.35**	*-*
Loss on sale of property, plant and equipment (net)		**-**	*-*
Corporate social responsibility expenditure (Refer Note 2 below)		**0.64**	*30.27*
Net loss on Foreign currency transactions and translations		**0.81**	*0.01*
Security Expenses		**32.27**	*48.42*
Miscellaneous expenses		**70.41**	*110.92*
Auditors remuneration			
To Statutory Auditors			
i) For audit	10.25		*22.75*
ii) For reimbursement of expenses	-		*3.04*
		10.25	*25.79*
To cost auditors		**1.00**	*1.00*
		11.25	*26.79*
Total		**1,475.06**	*2,392.40*

Note 1: Included in other expenses are the below:

Direct operating expenses arising from investment property that generated rental income during the year	**646.80**	*407.24*
Direct operating expenses arising from investment property that did not generate rental income during the year	**18.56**	*18.56*
Total	**665.36**	*425.80*

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

Amount required to be spent as per section 135 of the Act.	**28.05**	*30.27*
Amount spent during the year:		
(i) Constructions/ Acquisition of an asset	**18.71**	-
(ii) For the purposes other than (i) above	**-**	-
Total	**18.71**	-
Agreements entered for construction / acquisition of assets	**-**	-
Contribution for activities promoting educational facilities	**18.71**	-
Accrual towards unspent obligations in relation to other than ongoing projects	**9.34**	*30.27*

Year	Balance as at 1st April, 2022			Amount Spent during the year		Balance as at 31st March, 2023	
	With the Company	In Separate CSR unspent account	Amount required to be spent during the year	From the Company's Bank Account	From Separate CSR unspent account	With the Company	In Separate CSR unspent account
2023	-	18.01	28.05	18.71	18.01	-	* 9.34
2022	-	*18.01*	*24.94*	-	*18.01*	*24.94*	-

* ₹ 9.34 Lakhs has been transferred to a separate CSR unspent account on 28th April, 2023.

₹ in Lakhs

		Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
B.	**Exceptional items**		
	Investments written off	-	*(3,161.22)*
	Provision for disputed matters (Refer Note 44)	-	-
	Impairment of investments, loans (including interest accrued thereon) and other receivables in a subsidiary / provision for Guarantees given to a subsidiary (Forbes Technosys Limited) (Refer Note 52)	-	*6,424.26*
	Impairment of investments in a subsidiary / associate (Shapoorji Pallonji Forbes Shipping Limited) (Refer Note 54)	-	*(3,305.13)*
	Notional income on early redemption of debentures (Forbes Campbell Finance Limited)(Refer Note 57)	-	-
	Impairment of loans, financial assets and receivables in a subsidiary (Lux Group) (Refer Note 58)	-	-
	Notional gain on distribution of demerged undertaking to owners (Refer Note 53)	-	-
	Profit on sale of Investment in FFSPL	-	-
	Provision for doubtful trade receivables	-	-
	Provision for doubtful Contractually reimbursable expenses to related parties	-	-
	Provision for doubtful loans and advances	-	-
Total		-	*(42.09)*

33. Income taxes

33.1 Income tax recognised in profit or loss

₹ in Lakhs

Particulars	Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
For Continuing operations		
Current tax		
In respect of the current year	**17.63**	*2,170.00*
(Excess) / short provision for tax of earlier years	**-**	*-*
	17.63	*2,170.00*
Deferred tax		
In respect of the current year	**576.35**	*1,390.00*
	576.35	*1,390.00*
Total income tax expense recognised in	**593.97**	*3,560.00*

33.2 Income tax recognised in other comprehensive income

Others		
Deferred tax		
Re-measurement of defined benefit obligation	**(3.41)**	-
Total income tax expense recognised in other comprehensive income	**(3.41)**	-

34. Earnings per share

Particulars	Quarter ended 30th Jun., 2023	*Quarter ended 30th Jun., 2022*
Profit for the year (After exceptional items) (₹ in Lakhs) (A)	**1,728.84**	*16,672.74*
Profit for the year (Before exceptional items) (₹ in Lakhs) (D)	**1,728.84**	*16,714.83*
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (Quantity in Lakhs) (B)	**128.99**	*128.99*
Basic/ Diluted Earnings per equity share (After exceptional items) C=(A/B) (₹)	**13.40**	*129.26*
Basic/ Diluted Earnings per equity share (Before exceptional items) C=(D/B) (₹)	**13.40**	*129.59*

40. Related Party Disclosures

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

	Nature of Relationship	Name of Entity	
A	Holding Company	Shapoorji Pallonji and Company Private Limited	
B	Subsidiaries - Direct	Forbes Campbell Finance Limited	
		Forbes Technosys Limited *	
		Campbell Properties & Hospitality Services Limited	
		Volkart Fleming Shipping and Services Limited	
		Forbes Lux International AG	
		EFL Mauritius Limited	
		Forbes Precision Tools and Machine Parts Limited (w.e.f. 30th August, 2022)	
B	Subsidiaries - Indirect	Lux International AG	
		Lux del Paraguay S.A.	
		Lux Welity Polska sp.zo.o.	
		Lux Schweiz AG	
		Lux International Services & Logistics GmbH (Formerly Lux Service GmbH)	
		Lux Oesterreich GmbH	
		Lux Hungaria Kereskedelmi Kft	
		Lux Professional SA (formerly Lux Aqua Paraguay SA)	
		Forbes Campbell Services Limited (upto 29th September, 2022)	
		Forbes Edumetry Limited (Under liquidation)	
C	Fellow Subsidiaries	Forvol International Services Limited	
	(where there are transactions/ balances)	Gokak Textiles Limited	
		Shapoorji Pallonji Oil and Gas Private Limited	
		Sterling and Wilson Private Limited	
		SP Fabricators Private Limited	
		United Motors (India) Private Limited	
		Shapoorji Pallonji Infrastructure Capital Company Limited	
		Paikar Real Estates Private Limited	
D	Associates - Direct	Nuevo Consultancy Service Limited	
		Shapoorji Pallonji Forbes Shipping Limited (w.e.f 1st March, 2022)	
D	Associates - Indirect	Dhan Gaming Solutions (India) Private Limited	
E	Joint Ventures - Direct	Forbes Concept Hospitality Services Private Limited (Refer note 53)	
		Forbes Macsa Private Limited	
E	Joint Ventures - Indirect	Forbes Bumi Armada Limited (Subsidiary of Forbes Campbell Finance Ltd.)	
F	Key Management Personnel ("KMP")	M.C. Tahilyani	Managing Director
		Non Executive Directors	
		Shapoor P.Mistry	Chairman
		Jai L. Mavani	Non-Executive Director
		D. Sivanandhan	Independent Director
		Rani Jadhav	Independent Director
		Nikhil Bhatia	Independent Director
G	Post employment benefit plan	Forbes & Company Limited Employees Provident Fund	
H	Companies forming a part of the composite scheme of arrangement (Refer Note 53) (where there are transactions/ balances)	Eureka Forbes Limited (Refer note 53)*	

* The Company has provided letter of support to these subsidiaries and would finance them as and when required after obtaining board approval.

40. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables and Capital Creditors*	463.75	31.63	110.32	228.17	0.27	-	**834.14**
2	Interest accrued on investment / loan	-	7,986.06	-	-	-	-	**7,986.06**
3	Trade Receivables*	0.37	3,323.11	95.73	10.70	19.40	-	**3,449.32**
4	Advance for Supply of Goods and Services and Prepaid Exps.	20.77	14,769.58	82.05	-	-	-	**14,872.40**
5	Contractually reimbursable expenses	-	248.64	234.73	-	-	-	**483.37**
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	62,165.81	-	-	18.53	-	**62,184.34**
7	Deposits Payable	-	-	49.25	-	-	-	**49.25**
8	Deposits Receivable*	-	35,837.94	-	-	18.53	-	**35,856.47**
	Transactions							
	Purchases / Services							
9	Real estate development expenses	683.52	-	-	98.48	-	-	**782.00**
10	Fixed Assets/ Goods & Materials	-	-	-	-	39.06	-	**39.06**
	Sales / Services							
11	Goods and Materials	-	-	-	-	56.86	-	**56.86**
	Expenses							
12	Rent	-	1.80	-	-	-	-	**1.80**
13	Travelling and conveyance expenses	-	-	15.30	-	-	-	**15.30**
14	Legal and professional charges	24.63	-	-	-	-	-	**24.63**
15	Repairs and Maintenance	28.48	-	-	-	-	-	**28.48**
16	Selling expenses, commission and brokerage	-	-	94.54	4.76	-	-	**99.30**
17	Provision for doubtful loans and advances / Trade receivable	-	0.35	-	-	0.34	-	**0.68**
18	Remuneration	-	-	-	-	-	69.67	**69.67**
	Income							
19	Rent and amenities	2.29	-	29.13	-	19.63	-	**51.05**
20	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	-	-	-	0.34	-	**0.34**
21	Miscellaneous Income	-	0.30	-	-	-	-	**0.30**
	Other Receipts / Payments							
22	Other Reimbursements (Receipt)	-	-	15.20	-	0.40	-	**15.60**
23	Other Reimbursements (Payment)	-	0.53	-	-	-	-	**0.53**
	Finance							
24	Purchase / Subscriptions to Investments	-	-	-	-	249.50	-	**249.50**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8
Terms and conditions:-
a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.
* d) 6% Non- Cumulative Non- Convertible Redeemable Pref. Shares Qty 132600 of INR 10 each in Forbes Technosys Ltd. are fully provided.

FORBES & COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30TH JUNE, 2023 - Continued

40. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

		A	B	B	B	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C
		Shapoorji Pallonji and Company Private Ltd.	EFL Mauritius Ltd.	Forbes Facility Services Private Ltd. (Trans. till 30.06.2022)	Forbes Lux International AG	Lux International AG	Forbes Campbell Finance Ltd.	Forbes Technosys Ltd.**	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties & Hospitality Services Ltd.	Forbes Precesion Tools & Machine Parts Limited	Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.*	Forvol International Services Ltd.	Gokak Textiles Ltd.	Gossip Properties Pvt Ltd*	Next Gen Publishing Ltd.*	Paikar Real Estates Pvt. Ltd.	Relationship Properties Private Ltd*	Shapoorji Pallonji Infrastructure Capital Co. Pvt.
	Balances																			
1	Trade Payables and Capital Creditors	463.75	-	-	-	***	-	-	-	-	-	-	-	97.42	-	-	-	***	-	-
2	Interest accrued on investment / loan	-	-	-	7,859.28	-	-	***	-	-	-	-	-	-	-	-	-	-	-	-
3	Trade Receivables	***	-	-	-	3,222.26	-	***	-	-	-	-	***	***	-	***	***	-	***	***
4	Advance for Supply of Goods and Services and Prepaid Exps.	***	***	-	14,383.33	-	-	-	-	-	-	-	-	***	-	-	-	-	-	-
5	Contratually reimbursable expenses	-	-	-	-	-	-	248.58	-	-	***	-	-	-	***	-	-	227.94	-	-
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	***	-	51,629.82	***	-	6,927.48	-	-	-	-	-	-	-	-	-	-	-	-
7	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	***
8	Deposits Receivable	-	-	-	29,387.21	-	-	6,450.73	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions																			
	Purchases / Services																			
9	Real estate development expenses	683.52	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Fixed Assets/ Goods & Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services																			
11	Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses																			
12	Rent	-	-	-	-	-	1.80	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	15.30	-	-	-	-	-	-
14	Legal and professional charges	24.63	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Repairs and Maintenance	28.48	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-	94.54	-	-	-	-	-	-
17	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	0.35	-	-	-	-	-	-	-	-	-	-	-	-
18	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income																			
19	Rent and amenities	***	-	-	-	-	-	-	-	-	-	-	-	***	-	-	-	-	-	***
20	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Miscellaneous Income	-	-	-	-	-	-	0.30	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments																			
22	Other Reimbursements (Receipt)	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-	-	14.88	-	-
23	Other Reimbursements (Payment)	-	-	-	-	-	-	0.53	-	-	-	-	-	-	-	-	-	-	-	-
	Finance																			
24	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

@ Transactions relatd to Merger/ Demerger of EFL.

FORBES & COMPANY LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30TH JUI

40. Related party disclosures (contd.)
Current Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		C	C	C	C	C	C	C	C	C	C	C	D	E	E	F
		Shapoorji Pallonji Energy Pvt. Ltd.	Sterling And Wilson Renewable Energy Ltd.	United Motors (India) Private Ltd.	HPCL Shapoorji Energy Private Ltd.*	Coventry Properties Pvt Ltd.*	S D corporation Pvt Ltd.*	Sd SVP Nagar Redevlopment Pvt Ltd.*	Shapoorji Pallonji Development Manager Pvt.	Shapoorji Pallonji Infrastructure Pvt Ltd.*	Shapoorji Pallonji Real estate Pvt Ltd.*	Stone Steel Prefab*	Neuvo Consultancy Service Ltd.	Forbes Macsa Pvt Ltd (Joint Venture)	Forbes Concept Hospitality Services Private Ltd (Joint	Managing Director, Mr. M.C. Tahilyani
	Balances															
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	-	-	-	-	-	228.17	***	-	-
2	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	Trade Receivables	-	-	-	***	***	***	***	***	***	***	***	***	***	-	-
4	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	Contratually reimbursable expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	-	-	-	-	-	***	-
7	Deposits Payable	48.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	***	-
	Transactions															
	Purchases / Services															
9	Real estate development expenses	-	-	-	-	-	-	-	-	-	-	-	98.48	-	-	-
10	Fixed Assets/ Goods & Materials	-	-	-	-	-	-	-	-	-	-	-	-	39.06	-	-
	Sales / Services															
11	Goods and Materials	-	-	-	-	-	-	-	-	-	-	-	-	56.86	-	-
	Expenses															
12	Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	***	-	-	-
17	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34	-
18	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69.67
	Income															
19	Rent and amenities	27.75	-	-	-	-	-	-	-	-	-	-	-	19.63	-	-
20	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	-	-	-	-	-	0.34	-
21	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments															
22	Other Reimbursements (Receipt)	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-
23	Other Reimbursements (Payment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Finance															
24	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-	249.50	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than :

@ Transactions relatd to Merger/ Demerger of EFL.

40. Related party disclosures (contd.)

Previous Period

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables and Capital Creditors	4.44	36.09	17.82	138.12	-	-	**196.48**
2	Interest accrued on investment / loan	-	7,219.74	-	-	-	-	**7,219.74**
3	Trade Receivables	4.93	3,071.78	1.66	-	-	-	**3,078.36**
4	Advance for Supply of Goods and Services and Prepaid Exps.	19.27	13,336.42	120.00	-	-	-	**13,475.69**
5	Contractually reimbursable expenses (Gross)	-	244.07	20.05	-	-	-	**264.11**
6	Provision for Doubtful Loans and Advances	-	56,611.98	-	-	-	-	**56,611.98**
7	Deposits Payable	-	-	49.25	-	-	-	**49.25**
8	Deposits Receivable	-	33,406.23	-	-	-	-	**33,406.23**
	Transactions							
	Purchases / Services							
9	Real estate development expenses	1,277.44	-	-	167.75	-	-	**1,445.19**
	Expenses							
10	Rent	-	1.80	-	-	-	-	**1.80**
11	Travelling and conveyance expenses	-	2.85	38.22	-	-	-	**41.07**
12	Legal and professional charges	23.25	-	-	-	-	-	**23.25**
13	Repairs and Maintenance	22.61	-	-	-	-	-	**22.61**
14	Selling expenses, commission and brokerage	-	-	-	30.75	-	-	**30.75**
15	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	186.00	-	-	-	-	**186.00**
16	Remuneration	-	-	-	-	-	42.19	**42.19**
17	Miscellaneous expenses and security expenses	-	15.61	-	-	-	-	**15.61**
	Income							
18	Rent and amenities	6.74	7.05	28.44	-	-	-	**42.23**
19	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	0.39	-	-	-	-	**0.39**
20	Guarantee Commission	-	0.24	-	-	-	-	**0.25**
21	Miscellaneous Income	-	2.85	-	-	-	-	**2.85**
	Other Receipts / Payments							
22	Other Reimbursements (Receipt)	-	1.90	10.38	-	-	-	**12.28**
23	Other Reimbursements (Payment)	-	0.33	-	-	-	-	**0.32**
	Finance							
24	Deposit Given	-	3,620.00	-	-	-	-	**3,620.00**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

FORBES & COMPANY LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30TH JUNE, 2023 - Continued

40. Related party disclosures (contd.)

Previous Period

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C	D
		Shapoorji Pallonji and Company Private Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties & Hospitality Services Ltd.	Volkart Fleming Shipping & Services Ltd.	Forvol International Services Ltd.	Gokak Textiles Ltd.	Paikar Real Estates Pvt. Ltd.	Shapoorji Pallonji Infrastructure Capital Co. Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	Sterling and Wilson Solar Limited	United Motors (India) Ltd.	Nuevo Consultancy Service Ltd.
	Balances																	
1	*Trade Payables and Capital Creditors*	***	***	-	***	-	-	***	-	***	-	***	-	-	-	-	-	138.12
2	*Interest accrued on investment / loan*	-	-	***	-	***	-	-	-	-	-	-	-	-	-	-	-	-
3	*Trade Receivables*	***	-	-	-	***	-	-	-	-	-	-	***	-	-	-	-	-
4	*Advance for Supply of Goods and Services and Prepaid Exps.*	***	-	-	-	-	-	-	-	***	-	-	-	-	-	-	-	-
5	*Contratually reimbursable expenses*	-	-	-	-	243.51	-	-	***	-	***	***	-	-	-	-	-	-
6	*Provision for Doubtful Loans and Advances*	-	-	-	-	6,691.08	-	-	-	-	-	-	-	-	-	-	-	-
7	*Deposits Payable*	-	-	-	-	-	-	-	-	-	-	-	***	48.25	-	-	-	-
8	*Deposits Receivable*	-	-	***	-	6,235.73	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions																	
	Purchases / Services																	
9	*Real estate development expenses*	1,277.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167.75
	Expenses																	
10	*Rent*	-	-	1.80	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	*Travelling and conveyance expenses*	-	-	-	-	-	-	***	-	38.22	-	-	-	-	-	-	-	-
12	*Legal and professional charges*	23.25	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	*Repairs and Maintenance*	22.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	*Selling expenses, commission and brokerage*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	30.75
15	*Impairment in Investment in subsidiary Company, Loan and interest accrued thereon*	-	-	-	-	186.00	-	-	-	-	-	-	-	-	-	-	-	-
16	*Remuneration*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	*Miscellaneous expenses and security expenses*	-	7.84	-	7.77	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income																	
18	*Rent and amenities*	6.74	-	-	-	***	5.55	-	-	***	-	-	-	27.75	-	-	-	-
19	*Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit*	-	-	0.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20	*Guarantee Commission*	-	-	-	-	0.24	-	-	-	-	-	-	-	-	-	-	-	-
21	*Miscellaneous Income*	-	-	-	-	1.50	1.35	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments																	
22	*Other Reimbursements (Receipt)*	-	-	-	-	-	-	-	1.90	***	-	10.22	-	-	-	-	-	-
23	*Other Reimbursements (Payment)*	-	-	-	-	0.33	-	-	-	-	-	-	-	-	-	-	-	-
	Finance																	
24	*Deposit Given*	-	-	650.00	-	2,970.00	-	-	-	-	-	-	-	-	-	-	-	-

*** *Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).*

Independent Auditor's report

To the members of Forbes & Company Limited

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **Forbes & Company Limited** (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred 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 (hereinafter referred as "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 (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2023, its profit, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in 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 (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, 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.

Emphasis of Matter

We draw attention to Note 55 of the standalone financial statements in respect of the Scheme of Arrangement approved by the Board of Directors of the Company in their meeting dated 26th September 2022, between Forbes & Company Limited (FCL) and Forbes Precision Tools and Machine Parts Limited (FPTL) and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the rules framed thereunder.

This Scheme is a 'Scheme of Arrangement' involving the demerger of the "Precision Tools Business" of the company into Forbes Precision Tools and Machine Parts Limited (FPTL). FPTL has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Company. The Scheme is subject to necessary approvals by the applicable authorities. The appointed date of the Scheme is 1st April 2023 or such other date as may be fixed or approved by NCLT, Mumbai Bench.

Our opinion is not modified in respect of this emphasis matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report;

S. No.	Key Audit Matter (KAM)	Auditor's Response
1	**Assessment of Provisions and Contingent Liabilities** (Refer Notes 19A, 19B and 39 to the standalone financial statements)	Our audit procedures included the following: • Gained an understanding of the process of identification of claims, litigations and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls; • Obtained the summary of the Company's legal and tax cases and assessed management's position through discussions with the Legal Counsel, Head of Tax and operational management, on both the probability of success in significant cases and the magnitude of any potential loss;

S. No.	Key Audit Matter (KAM)	Auditor's Response
1	The Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties. There is a high level of management judgement required in estimating the probable outflow of economic resources and the level of provisioning and/or the disclosures required. The judgement of the management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position. We considered this area a key audit matter due to the associated uncertainty of the ultimate outcome and significant management judgement in the assessment.	• Understanding the current status of the direct and indirect tax assessments/ litigations; • Reading recent orders and/ or communication received from the tax authorities and with certain other parties and management responses to such communication; • Where relevant, read the most recent available independent tax/legal advice obtained by management and evaluate the grounds presented therein; • Obtaining written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had discussions with them as and when required; • Assessing the adequacy of disclosure in the standalone financial statements. Based on the above procedures, we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.
2	Revenue recognition for Real Estate Development Activities (Refer Notes 25 and 50 to the standalone financial statements) Revenue recognition for real estate development activities is considered a key audit matter in view of the involvement of management judgement in establishing the timing of the transfer of control to the customer, the enforceable right to payment for performance completed to date and related disclosures. In respect of real estate development projects, Revenue is recognised upon transfer of control of residential units to customers for an amount that reflects the consideration the Company expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the unit handover to the customer on completion of the project, after which the contract becomes non-cancellable by the parties. The Company records revenue at a point in time upon transfer of control of residential units to the customers as per requirements of Ind-AS 115 involves significant judgement by the Management.	Our audit procedures over the recognition of revenue for Real Estate Development activities included the following: • Obtaining an understanding and evaluating the design and testing of the effectiveness of key internal financial controls in respect of revenue recognition for real estate development activities; • Obtaining an understanding of the Company's accounting policy on revenue recognition for real estate development activities and assessing compliance of the policy with principles enunciated under Ind-AS 115; • Obtaining a listing of contracts with customers from the Management; • On a sample basis, evaluate the completeness and accuracy of the list of contracts as mentioned above; • Examining the mathematical accuracy in respect of the amount recognized as revenue in respect of these customer contracts; • Examining the terms of sales agreements, agreement value and other relevant details to validate revenue recognition during the year; • Obtaining evidence regarding the transfer of control considering criteria as per Ind-AS 115 and evaluating the enforceability of payment for work completed to date for validating the timing of the transfer of control to the customer; and • Evaluated the adequacy and appropriateness of the disclosures made in the standalone financial statements by the management with respect to revenue from the Real Estate Development Activities. Based on the audit procedures performed, we did not come across any significant exceptions regarding revenue recognition regarding real estate development activities.

Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report and management discussion and analysis included in the annual report but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and/or conclusions thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available 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.

Board of Directors' Responsibilities for the Standalone Financial Statements

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

In preparing the Standalone Financial Statements, 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 concerned and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

b) 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 an adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the Board of directors.

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

e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
Other Matter: The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor and had issued unmodified opinion vide report dated May 30, 2022. Our opinion is not modified in respect of this other matter.

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 in terms of Section 143 (11) of the Act, we give in **"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 and based on our audit we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, 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 the 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; 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, we report that in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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 as at March 31, 2023, on its financial position in its Standalone Financial Statements - Refer notes 19A, 19B and 39 to the Standalone Financial Statements.

ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts that 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

(c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement; and

v. The dividend for the previous year, declared and paid by the Company during the year ended 31st March 2023 is in accordance with section 123 of the Act, as applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

CA Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN - 23042624BGYOXD7016

Mumbai, May 26, 2023

Annexure A to Independent Auditor's Report

Annexure A to the independent auditor's report on the standalone financial statements of Forbes & Company Limited for the year ended 31st March 2023

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

(i) (a) According to the information and explanation given to us and records examined by us;

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

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

(b) The Company has a program of verification of PPE to cover all the items once in two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, all the PPE were physically verified by the Management during the previous year. According to the information and explanations given to us, no material discrepancies were noticed in such verification.

(c) we report that the title deeds, comprising all the immovable properties of land and buildings, (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company as on balance sheet date, except for the following:

Description of property	Gross carrying value (Rs. in Lakhs)	Title deeds held in the name of	Whether the title deed holder is a promoter, director or their relative or employee	Period held - indicate the range, where appropriate (years)	Reason for not being held in the name of the Company
Land and buildings in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for the change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company have not been carried out.
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai*	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for the change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company have not been carried out.
Premises at Chennai*	40.76	Facit Asia Limited	No	13	Administrative procedures for the change of name from Facit Asia Limited (FAL) have not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).
Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for the change of name from Volkart India Limited (VIL) have not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.

* Also includes assets that are classified as held of sales during the year - refer note 54 to the Standalone Financial Statements.

(d) We report that the company has not made any revaluation of PPE (including Right of use assets) or intangible assets or both during the year. Accordingly, reporting on paragraphs 3 Clause (i) (d) of the Order is not applicable to the Company.

(e) We report that there is no any proceeding have been initiated 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. Accordingly, reporting on paragraphs 3 Clause (i) (e) of the Order is not applicable to the Company.

(ii) In our opinion and according to the information and explanations given to us;

(a) the physical verification of inventory has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. Inventory lying with the third parties has been substantially confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more and have been appropriately dealt with in the books of accounts. In the case of real estate work in progress, inventories have been physically verified by the management at reasonable intervals during the year by way of site visits and no material discrepancies were noticed on such physical verifications.

(b) during the year company has renewed/sanctioned its working capital facility in excess of five crores rupees, in the aggregate, from banks on the basis of security of current assets; based on our verification of quarterly statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) In our opinion and according to the information and explanations given to us;

(a) During the year the Company has made investments in one subsidiary and one joint venture & given a loan to one subsidiary. The company has not provided security & a guarantee to the subsidiary, Associates & Joint ventures and other parties other than subsidiaries, associates & Joint ventures. The aggregate amount during the year, and the balance outstanding at the Balance Sheet date with respect to such investment made in the subsidiary, Joint venture & loans given to the subsidiary are as per the table given below:

(Rs. in lakhs)

Particulars	**Guarantees**	**Investment**	**Loans**
Aggregate amount during the year to subsidiaries/JVs			
- Subsidiary	-	5.00	3,185.00
- Joint Venture	-	250.00*	-
Balance outstanding as at Balance Sheet date in respect of the above case			
- Subsidiaries	69.33	-	#6,468.91

* Includes Rs. 249.50 lakhs as share application money.

\# The loan given by the company has been fully provided. This closing balances does not include the closing balances of loan amount receivable from subsidiaries carried from the effect of scheme of merger, however the same amount has been fully provided by the company in previous year.

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

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

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

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

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

(Rs. In Lakhs)

Particulars	All Parties	Promoters	Related Parties
The aggregate of loans/advances in nature of loan repayable on demand	3,185.00	-	3,185.00
Percentage of loans/advances in nature of loans to the total loans	49.23%	-	49.23%

(iv) According to the information and explanation provided to us, in respect of loans, investments, guarantees and security, the Company has complied with provisions of Section 185 and Section 186 of the Act.

(v) According to the information and explanations given to us, there is no public deposit as such in the company during the year and no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal. Accordingly, reporting on paragraphs 3 Clause (v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under Section 148(1) of the Act. We have broadly reviewed these records relating to materials, labour and other items of cost maintained by the Company and are of the opinion that prima facie, the prescribed cost accounts and records have been prepared and maintained. We have not however made a detailed examination of records with a view to determine whether they are accurate or complete.

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

(a) in our opinion, the Company is regular in depositing the undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess, and other material statutory dues, as applicable, with the appropriate authorities as per the records of the company examined by us. Also, refer to note 39 (2) to the standalone financial statements regarding management's assessment of certain matters relating to the provident fund.

(b) There are no statutory dues referred to in sub-clause (a) as at March 31, 2023, which have not been deposited on account of a dispute, except as mentioned below:

(Rs. in Lakhs)

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount involved	Amount demanded after netting-off amount paid under protest
The Income Tax Act, 1961	Income Tax	Assessment Year 2001-02	Commissioner of Income Tax (Appeals), Income Tax Appellate Tribunal	14.97	14.97
The Finance Act, 1994	Service Tax (including interest and penalty, as applicable)	Financial Years 2007-08 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal	2,385.60	2,293.35
		Financial Year 2005-06, to 2012-13	Commissioner of Service Tax	1,038.89	1,038.89
The Customs Act, 1962	Penalty	Financial Year 2011-12	Hon'High Court of Kerala	100.00	100.00
	Interest on duty	Various Year	Hon'High Court Madara,Asst. Comm. Chennai	87.84	87.84
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	Financial Years 2005-06 and 2006-07	Customs, Excise & Service Tax Appellate Tribunal	2,724.52	2,724.52
Sales Tax Laws	Sales Tax (including interest and penalty, as applicable)	Financial Years 1990-91 to 1994-95, 1997-98 to 2006-07, 2007-08 & 2008-09.	Appellate Authority – up to Sales Tax Appellate Tribunal	430.84	400.12

Name of the Statute	Nature of dues	Period to which the amount relates	Forum where the dispute is pending	Amount involved	Amount demanded after netting-off amount paid under protest
Employees Provident Fund and Misc. Provisions Act, 1952	Damages	1996-2014	The Central Government Industrial Tribunal at Mumbai	16.81	16.81
Good and Service Tax Act, 2017	Interest on GST	December 2017 to June 2019	Dy. Commissioner of GST	88.64	88.64

(viii) According to the information & explanations given to us and the records examined by us, there are no such transactions that are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, reporting on paragraph 3 clause (viii) of the Order is not applicable to the Company.

(ix) According to the information and explanations given to us and the records examined by us;

(a) the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) the company has not been declared a wilful defaulter by banks or financial institutions or other lenders Accordingly, reporting on paragraph 3 clause (ix) (b) of the Order is not applicable to the Company.

(c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

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

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

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, reporting on paragraph 3 clause (ix) (f) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us and the records examined by us,

(a) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of an initial public offer or further public offer (including debt instruments). Accordingly reporting on paragraph 3 clause (x) (a) is not applicable to the company.

(b) During the year the Company has not made preferential allotment as per the provision of the act and regulation made by the securities exchange board of India and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with. During the year the company has not made the private placement of shares or convertible debentures (fully, partially or optionally convertible). Accordingly reporting on paragraph 3 clause (x) (b) of the order is not applicable to the company.

(xi) According to the information and explanations given to us and during the course of our examination of the books and records of the company,

(a) Carried out in accordance with the generally accepted auditing practices in India, 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 been informed of any such case by the management.

(b) Carried out in accordance with the generally accepted auditing practices in India, 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) Carried out in accordance with the generally accepted auditing practices in India, 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) The Company is not a Nidhi Company and hence reporting under paragraph 3 clause (xii) (a), (b) and (c) of the Order is not applicable to the Company.

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

(xiv) According to the information and explanations given to us and the records examined by us,

(a) 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 the balance sheet date, for the period under audit.

(xv) According to the information and explanations given to us, in our opinion during the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence reporting on compliance with the provisions of section 192 of the Companies Act, 2013 under clause 3(xv) of the order is not applicable to the company.

(xvi) According to the information and explanations given to us and the records examined by us,

(a) the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting on paragraph 3 Clause (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, reporting on paragraph 3 Clause (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, reporting on paragraph 3 Clause (xvi)(c) of the order is not applicable to the company.

(d) The group has five unregistered Core Investment Companies (CICs) as part of the Group as detailed in note 60(iii) to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

(xvii) In our opinion and according to the information and explanations given to us, the company has not incurred cash losses in the current year as well as for the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly, reporting on paragraph 3 Clause (xviii) of the order is not applicable to the company.

(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, and 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 the 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) According to the information and explanation given to us and on the basis of the accounts and records examined by us,

(a) we report that the company has calculated the CSR liability as per section 135 of the act and has transferred the amount remaining unspent to the Fund specified in Schedule VII to the Act before the date of our audit report.

(Rs. in Lakhs)

Financial Year	Amount to be spent in accordance with section 135(5)	The amount remaining unspent at the year-end is to be transferred to the fund under Sch. VII	The amount transferred to Fund under Sch. VII, within 6 months from the end of the financial year (or till the date of the audit report, if that is earlier)	The amount transferred to Fund under Sch. VII, after 6 months from the end of the financial year (or till the date of the audit report, if that is earlier)	Amount not transferred to Fund under Sch. VII, till the date of the audit report
2022-23	28.05	9.34	9.34	-	-

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

(xxi) The reporting under paragraph 3 clause (xxi) of the Order is not applicable in respect of the audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

CA Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN - 23042624BGYOXD7016

Mumbai, May 26, 2023

Annexure B to Independent Auditor's Report

Annexure B to the independent auditor's report on the standalone financial statements of Forbes & Company Limited for the year ended 31st March 2023

(Referred to in paragraph 2 (f) under the heading, "Report on other legal and regulatory requirements" of our report on even date)

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

We have audited the internal financial controls over financial reporting of Forbes & Company Limited (hereinafter referred to as "the Company") as of March 31, 2023, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Board of Directors Responsibility for Internal Financial Controls

The Company's Management and Board of Directors are 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. 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. 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 Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were 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 Standalone 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 Standalone 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 the preparation of Standalone 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 the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

SHARP & TANNAN ASSOCIATES
Chartered Accountants
Firm's Registration No.: 109983W
by the hand of

CA Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN - 23042624BGYOXD7016

Mumbai, May 26, 2023

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	No.	₹ in Lakhs		As at 31st Mar., 2023 ₹ in Lakhs	*As at 31st Mar., 2022 ₹ in Lakhs*
Assets					
1 Non-current assets					
Property, plant and equipment	**5**			**8,587.99**	*9,296.81*
Right-of-use assets	**45**			**530.52**	*41.15*
Capital work-in-progress	**5.1**			**182.80**	*81.82*
Investment Properties	**6**			**2,173.00**	*2,255.60*
Other Intangible assets	**7**			**115.36**	*149.01*
Financial Assets:					
i) Investments					
Investments in subsidiaries	**8A**	3,659.86			*3,654.86*
Investments in associates	**8B**	5.88			*5.88*
Investments in joint ventures	**8D**	250.00			*-*
Other Investments	**8C**	5,120.58			*0.18*
			9,036.32		*3,660.92*
ii) Other financial assets	**11A**		124.48		*145.74*
				9,160.80	*3,806.66*
Tax assets					
i) Deferred tax assets (net)	**20**		1,458.83		*2,173.19*
ii) Income tax assets (net)	**24**		645.17		*951.85*
				2,104.00	*3,125.04*
Other non-current assets	**14A**			**433.06**	*264.03*
Total Non-current assets				**23,287.53**	*19,020.12*
2 Current assets					
Inventories	**12**			**18,052.36**	*16,344.13*
Financial Assets:					
i) Investments	**8F**		1,418.67		*-*
ii) Trade receivables	**9**		2,923.88		*3,144.30*
iii) Cash and cash equivalents	**13A**		3,625.93		*611.08*
iv) Bank balances other than (ii) above	**13B**		1,812.38		*289.21*
v) Loans	**10B**		10.61		*0.83*
vi) Other financial assets	**11B**		243.51		*96.01*
				10,034.98	*4,141.43*
Other current assets	**14B**			**1,436.57**	*1,067.26*
				11,471.55	*5,208.69*
Asset classified as held for sale	**54**			**8.11**	*5,171.79*
Total Current assets				**29,532.02**	*26,724.61*
Total Assets				**52,819.55**	*45,744.73*

BALANCE SHEET AS AT 31ST MARCH, 2023

Particulars	No.	₹ in Lakhs		As at 31st Mar., 2023 ₹ in Lakhs	*As at 31st Mar., 2022 ₹ in Lakhs*
Equity and Liabilities					
Equity					
Equity share capital	**15**		1,289.86		*1,289.86*
Other equity	**16**		19,395.31		*2,612.34*
Total Equity				**20,685.17**	*3,902.20*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**17**	1,012.95			*5,548.20*
ii) Lease liability	**45**	527.61			*19.38*
iii) Other financial liabilities	**18A**	254.49			*139.50*
			1,795.05		*5,707.08*
Provisions	**19A**		752.36		*536.06*
Total Non-current liabilities				**2,547.41**	*6,243.14*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**22**	243.25			*4,620.56*
ii) Lease liability	**45**	11.94			*6.80*
iii) Trade payables	**23**				
a) total outstanding dues of micro enterprises and small enterprises; and		678.67			*550.98*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,111.53			*4,179.79*
iv) Other financial liabilities	**18B**	1,278.13			*4,529.73*
			5,323.52		*13,887.86*
Other current liabilities	**21**		24,134.98		*21,274.56*
Provisions	**19B**		71.13		*436.97*
Current tax liabilities (net)	**24**		57.34		*-*
Total Current Liabilities				**29,586.97**	*35,599.39*
Total Liabilities				**32,134.38**	*41,842.53*
Total Equity and Liabilities				**52,819.55**	*45,744.73*

Significant Accounting Policies 2
The accompanying notes form an integral part of the financial statements 3 - 62

In terms of our report of even date

For Sharp & Tannan Associates
Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F).042624

Place: Mumbai
Date: 26th May, 2023

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

	Particulars	No.	₹ in Lakhs	Year ended 31st Mar., 2023 ₹ in Lakhs	*Year ended 31st Mar., 2022 ₹ in Lakhs*
I	Revenue from operations	25	24,780.85		*23,504.51*
II	Other income	26	21,392.71		*1,369.85*
III	**Total Income (I + II)**			**46,173.56**	*24,874.36*
IV	**Expenses:**				
	Real estate development costs	27	2,763.20		*2,511.49*
	Cost of materials consumed	28A	9,227.19		*8,166.13*
	Purchases of stock-in-trade		354.48		*273.25*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	28B	(2,874.65)		*(2,214.24)*
	Employee benefits expenses	29	5,128.84		*4,880.26*
	Finance costs	30	818.44		*1,234.64*
	Depreciation and amortisation expense	31	1,362.47		*1,307.79*
	Other expenses	32A	7,576.89		*6,570.56*
	Total expenses (IV)			**24,356.86**	*22,729.88*
V	**Profit before exceptional items and tax (III - IV)**			**21,816.70**	*2,144.48*
VI	Exceptional items (net)	32B		**2,905.39**	*4,10,091.01*
VII	**Profit / (loss) before tax (V + VI)**			**24,722.09**	*4,12,235.49*
VIII	**Tax expense / (credit):**				
	(a) Current tax	33	269.66		*-*
	(b) (Excess) / short provision for tax of earlier years	33	51.80		*-*
	(c) Deferred tax	33	541.47		*(1,058.72)*
				862.93	*(1,058.72)*
IX	**Profit / (loss) for the year (VII- VIII)**			**23,859.16**	*4,13,294.21*
X	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to Statement of Profit and Loss				
	(a) Remeasurement of the defined benefit plans			**5.68**	*21.59*
	(b) Fair value changes on Equity instruments through other comprehensive income			**1,475.13**	*-*
	(ii) Income Taxes relating to items that will not be reclassified to Statement of Profit and Loss				
	(a) Deferred Tax Expenses			**(172.90)**	*-*
				1,307.91	*21.59*
XI	**Total Comprehensive Income / (Loss) for the year (IX + X)**			**25,167.07**	*4,13,315.80*
XII	**Earning per equity share :**				
	Basic and diluted earnings per equity share (After exceptional items)	34		**₹ 184.95**	*₹ 3,203.83*
	Basic and diluted earnings per equity share (Before exceptional items)			**₹ 162.43**	*₹ 24.83*

Significant Accounting Policies 2

The accompanying notes form an integral part of the financial statements 3 - 62

In terms of our report of even date

For Sharp & Tannan Associates
Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F).042624

Place: Mumbai
Date: 26th May, 2023

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

NIRMAL JAGAWAT
Chief Financial Officer

JAI L. MAVANI
Director
DIN : 05260191

RUPA KHANNA
Company Secretary
Membership No : A33322

Place: Mumbai
Date: 26th May, 2023

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

Particulars	Year ended 31st Mar., 2023 ₹ in Lakhs		*Year ended 31st Mar., 2022 ₹ in Lakhs*	
Cash flows from operating activities				
Profit before tax		**24,722.09**		*4,12,235.49*
Adjustments for -				
Depreciation and amortisation expense	1,362.47		*1,307.59*	
Interest income earned on financial assets that are not designated as at fair value through profit or loss :				
(i) Bank deposits	(159.23)		*(57.68)*	
(ii) Inter-corporate deposits	(3.36)		*(18.83)*	
Interest on Income Tax/ Wealth Tax refund	(20.55)		-	
Finance costs	818.44		*1,234.51*	
Dividend Income from long-term investments	-		-	
(Gain)/loss on disposal of property, plant and equipment	(20,983.59)		*(345.79)*	
(Recoveries) / Provision for doubtful trade receivables	-		*(79.01)*	
Provision for doubtful trade receivables	26.74		-	
Provision for doubtful loans and advances	55.82		*2.34*	
Advances written off	-		*26.25*	
Trade receivables written off	-		*1.00*	
Gain on fair value / interest on long-term investments in a subsidiaries	-		*(158.37)*	
Credit balances / excess provision written back	(19.47)		*(84.85)*	
Gain on sale of current investment	(106.38)		-	
Net unrealised exchange loss	(45.15)		*(13.67)*	
		(19,074.26)		*1,813.49*
Exceptional items:				
- Provision for disputed matters	-		*230.19*	
- Investment Written off	(145.22)		-	
- Profit on sale of Investment in FFSPL	(3,200.41)		-	
-Provision for doubtful trade receivables	1.49		-	
-Provision for doubtful Contractually reimbursable expenses to related parties	19.56		-	
-Provision for doubtful loans and advances	419.19		-	
- Impairment of investments, loans (Including interest accrued thereon) and other receivables in a subsidiary/ Provision for Guarantees given to a subsidiary (Forbes Technosys Limited)	-		*7,517.23*	
- Impairment of Investments in a subsidiary (Shapoorji Pallonji Forbes Shipping Limited)	-		*3,305.13*	
- Notional income on early redemption of debentures	-		*(1,203.49)*	
- Impairment of loans, financial assets and receivables in a subsidiary (Lux Group)	-		*32,935.67*	
- Notional gain on distribution of demerged undertaking to owners	-		*(4,52,875.74)*	
		(2,905.39)		*(4,10,091.01)*
		(21,979.65)		*(4,08,277.52)*
Operating profit before working capital changes		**2,742.44**		*3,957.97*
Changes in working capital:				
(Increase) /decrease in trade and other receivables	126.47		*999.41*	
(Increase) /decrease in inventories	(1,708.23)		*(3,016.16)*	
(Increase)/ decrease in other assets	(889.11)		*(256.58)*	
Increase /(decrease) in trade and other payables	(864.64)		*(978.06)*	
Increase /(decrease) in provisions	(394.36)		*(85.07)*	
Increase /(decrease) in other liabilities	6,927.68		*5,160.84*	
		3,197.81		*1,824.38*
Cash inflow / (outflow) from operations		**5,940.25**		*5,782.35*
Income taxes (paid)/ refunds received (net)		**424.34**		*468.10*
(a) Net cash flow inflow / (outflow) from operating activities		**6,364.59**		*6,250.45*
Cash flows from investing activities:				
Payments for property, plant and equipment (net of capital creditors and including capital advances, capital work-in-progress, investment properties and intangible assets)	(997.39)		*(3,197.06)*	
Advance received in relation to assets held for sale	-		*4,000.00*	
Proceeds from disposal of property, plant and equipment	19,044.23		*477.44*	
Purchase / subscription of long-term investments				
- in subsidiaries	(5.00)		-	
- Equity Investment in Joint Ventures	(0.50)			
- Share application money in Joint Ventures	(249.50)		-	
- others	(3,645.27)		-	
Proceeds from sale / capital reduction of long-term investments				
- Subsidiary	3,659.10		-	
- Joint Venture	2,900.00		-	
Purchase of current investments	(1,373.51)		-	

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

	Particulars	Year ended 31st Mar., 2023 ₹ in Lakhs		Year ended 31st Mar., 2022 ₹ in Lakhs	
	Proceeds from sale of current investments	61.22		-	
	Inter Corporate Deposits given to related parties	(3,266.00)		(4,733.28)	
	Amount received on capital reduction in a subsidiary	1.32		28.85	
	Amount received on redemption of preference shares	-		1,728.00	
	Bank balances not considered as cash and cash equivalents	(1,523.17)		(29.44)	
	Interest received	141.15		77.59	
(b)	**Net cash inflow / (outflow) from investing activities**		**14,746.68**		(1,647.90)
	Cash flows from financing activities:				
	Proceeds from long-term borrowings	-		2,019.98	
	Repayment of long-term borrowings	(8,912.56)		(5,541.09)	
	Net Increase in cash credit, overdraft balances, credit card facilities and commercial papers	-		(1,422.11)	
	Finance costs paid (Refer below Note 4)	(770.23)		(1,190.53)	
	Payment of Lease Liabilities	(69.99)		(28.13)	
	Dividend paid on equity shares *	(8,343.64)		(0.12)	
(c)	**Net cash inflow / (outflow) from financing activities**		**(18,096.42)**		(6,162.00)
(d)	**Net increase/ (decrease) in cash and cash equivalents (a + b + c)**		**3,014.85**		(1,559.45)
(e)	**Cash and cash equivalents as at the commencement of the year**		**611.08**		2,170.53
(f)	**Cash and cash equivalents as at the end of the year (d + e)** (Refer Note 13A)		**3,625.93**		611.08

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

Cash and cash equivalents as per above comprise of the following	31st Mar., 2023 ₹ in Lakhs	31st Mar., 2022 ₹ in Lakhs
Balances with bank		
- In current accounts	**1,064.54**	549.43
- In EEFC Accounts	**24.80**	61.65
- In deposit accounts (with original maturity upto 3 months)	**2,536.59**	-
Cheques, drafts on hand	**-**	-
Cash on hand	**-**	-
Balances as per statement of cash flows	**3,625.93**	611.08

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
2. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to current year classification.
3. Other bank balances at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 64.75 Lakhs *(Previous year ₹ 24.30 Lakhs)* and (ii) margin money deposits ₹ 372.33 Lakhs *(Previous year ₹ 259.81 Lakhs)* includes security against license for import of goods under EPCG Scheme and hence are not available for immediate use by the Company.
4. The interest paid during the year excludes interest expense on loans for real estate development activites amounting to ₹ Nil *(Previous year ₹ 52.75 Lakhs)*.

* Amount is below rounding off norms of the company

The accompanying notes form an integral part of the financial statements 3 - 62

In terms of our report of even date

For Sharp & Tannan Associates
Firm Registration No. 0109983W
Chartered Accountants

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

Parthiv S. Desai
Partner
Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

Place: Mumbai
Date: 26th May, 2023

Statement of changes in Equity for the year ended 31st March, 2023

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance as at 31st March, 2021	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2022	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2023	**1,289.86**

b. Other equity

₹ in Lakhs

Particulars	**Reserves and surplus**				
	General Reserves	**Capital Reserve**	**Other Comprehensive Income**	**Retained earnings**	**Total**
Balance as at 31st March, 2021	**16,188.60**	**-**	**(28.16)**	**(399.35)**	**15,761.09**
Profit / (loss) for the year	-	-	-	4,13,294.21	4,13,294.21
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	-	-
Total comprehensive income / (loss) for the year	**-**	**-**	**-**	**4,13,294.21**	**4,13,294.21**
Deemed Dividend (Notional)	-	-		(4,06,600.00)	(4,06,600.00)
Impact of merger as per the composite scheme of arrangement	23,765.85	619.09	-	50,294.18	74,679.12
Capital reserve created on merger	-	(94,522.08)	-	-	(94,522.08)
Balance as at 31st March, 2022	**39,954.45**	**(93,902.99)**	**(28.16)**	**56,589.04**	**2,612.34**
Profit / (loss) for the year	-	-	-	23,859.16	23,859.16
Other comprehensive income for the year	-	-	1,307.91	-	1,307.91
Payment of dividends on equity shares	-	-	-	(8,384.10)	(8,384.10)
Total comprehensive income / (loss) for the year	**-**	**-**	**1,307.91**	**15,475.06**	**16,782.97**
Balance as at 31st March, 2023	**39,954.45**	**(93,902.99)**	**1,279.75**	**72,064.10**	**19,395.31**

For significant accounting policies, Refer Note 2
The accompanying notes form an integral part of the financial statements 3 - 62

In terms of our report of even date

For Sharp & Tannan Associates
Firm Registration No. 0109983W
Chartered Accountants

For and on behalf of the Board of Directors
M. C. TAHILYANI
Managing Director
DIN : 1423084

Parthiv S. Desai
Partner
Membership Number: (F).042624

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

Place: Mumbai
Date: 26th May, 2023

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

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

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

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

iii) Investments in subsidiaries, associates and joint ventures

Subsidiaries:

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

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

Associates:

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

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

Joint Arrangements:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

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

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

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

iv) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

v) Capital work-in-progress

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

vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale shall be measured in accordance with Ind AS 105.

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

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

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

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

ix) Impairment of Assets

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

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

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

xi) Financial instruments

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

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

Financial assets

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

Classification:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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 payments or receipts (including all fees and amounts that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

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

Impairment of financial assets

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

- The contractual rights to the cash flows from the financial asset expire, or
- 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.
- The company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the company with the right of full recovery of the amount lent plus accrued interest at market rates do not violate this condition.
- The company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in Ind AS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

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

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

xii) Inventories

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

Real estate development work-in-progress :-

Cost of real estate business is charged to the Statement of Profit and Loss in proportion to the revenue recognised during the year and the balance cost is carried forward as "Real Estate Work in Progress" under Note 12 Inventories.

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

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

xiii) Earnings per share

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

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

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

xiv) Employee Benefits

a) Short-term employee benefits

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

b) Other long-term employee benefits

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes

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

Defined Contribution Plans

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

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

Defined Benefit Plans

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

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

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

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

xv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Contingent liability is disclosed for (i) Possible obligations that arises from past events and whose existence 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 (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:-

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

1 **Sale of goods:**

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component

b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred

c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

2 **Interest and Dividend Income:**

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

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

3 **Export Incentives:**

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

4 **Revenue from real estate contracts:**

In respect of real estate development projects undertaken by the Company, the control of real estate units is said to be satisfied over time, if any one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

b) The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

In all other cases, where the above criterias for satisfaction of performance obligation and recognising revene over time are not met, revenue would be recognised when control of the real estate units has been transferred and there is no unfulfilled obligation which could affect the customer's acceptance of the real estate units. Considering the terms of the contract, revenue is recognised at a point in time when:

- The Company has transferred to the customer all significant risk and rewards of ownership and the Company retains no effective control of the real estate unit to a degree usually associated with ownership;
- The Company has handed over possession of the real estate unit to the customer or deemed possession based on the contract with the customer;
- No significant uncertainty exists regarding the amount of consideration that will be derived from the sale of the real estate unit;
- It is not unreasonable to expect ultimate collection of revenue from customer

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes). Revenue is recognized with respect to executed sales contracts on transfer of control of the real estate units to the customers

xvii) Foreign currency transactions and balances

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

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

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

xviii) Lease accounting

As a lessee:

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

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

- fixed payments (including in substances fixed payments), less any lease incentive receivable

- variable lease payments that depend on an index or a rate,initially measured using the index or rate as at the commencement date;

- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;

- the exercise price of the purchase option if the Company is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

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

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third party financing received by the lessee as a starting point, adjusted to reflects changes in financing condition since third party financing received

- use a build-up approach that starts with the risk-free interest rate adjusted for credit risk for leases, which does not have recent third party financing, and

- make adjustments specific to the leases, e.g. term, security, currency etc.

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

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

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

- the amount of initial measurement of lease liability

- any lease payments made at or before the commencement date less any lease incentives received

- any initial direct costs, and

- restoration costs

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

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

As a lessor:

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

xix) Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xx) Government grants

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

xxi) Borrowing Costs

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

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

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

xxii) 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.

xxiii) Non-current assets held for sale

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

xxiv) Cash and cash equivalents

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

xxv) Principles of business combinations

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

xxvi) Dividend

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

xxvii) Exceptional Items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements in applying accounting policies

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

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

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind AS 115 involves significant judgement.

3.2.2 Contingent Liabilities and Provisions

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

3.2.3 Useful life and residual value of Property, Plant and Equipment (including investment properties)

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

3.2.4 Fair value measurement and valuation process

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

3.2.5 Impairment

Determining whether an asset is impaired requires as estimation of fair value/value in use. Such valuation requires the Company to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3.2.7 Defined Benefit Obligations

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

3.2.8 Deferred Tax Asset

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

4. ADOPTION OF NEW AND AMENDED INDIAN ACCOUNTING STANDARDS

(i) New and amended standards adopted by the Company

Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective 1st April, 2022:

a. Ind AS 109: Annual Improvements to Ind AS (2021)
b. Ind AS 103: Reference to Conceptual Framework
c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
d. Ind AS 16: Proceeds before intended use Based on preliminary assessment,

the Company has adopted these amendments in its standalone financial statements.

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

(ii) New amendments issued but not effective

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

5A. Property, plant and equipment (Own, unless otherwise stated) for the year ended 31st March, 2023.

₹ In Lakhs

	Building and structures *	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment *	Data processing equipments (Finance Lease)	As at 31st Mar., 2023
Cost or Deemed cost								
Balance at 1st April, 2022	**4,124.98**	**71.49**	**304.57**	**193.78**	**188.41**	**9,356.48**	**1.02**	**14,240.72**
Additions	109.80	-	19.66	15.55	-	332.43	-	477.44
Disposals	0.25	-	29.23	4.79	2.20	259.51	-	295.97
Transferred from Investment Properties	-	-	-	-	-	-	-	-
Balance at 31st March, 2023	**4,234.54**	**71.49**	**295.00**	**204.54**	**186.21**	**9,429.40**	**1.02**	**14,422.19**
Accumulated depreciation								
Balance at 1st April, 2022	**432.94**	**23.89**	**111.42**	**181.41**	**151.73**	**4,041.52**	**1.02**	**4,943.92**
Eliminated on disposals of assets	0.25	-	27.30	4.79	2.20	256.70	-	291.24
Depreciation expense for the year	165.12	17.38	55.75	6.95	6.63	929.68	-	1,181.52
Transferred from Investment Properties	-	-	-	-	-	-	-	-
Balance at 31st March, 2023	**597.81**	**41.27**	**139.88**	**183.57**	**156.15**	**4,714.50**	**1.02**	**5,834.20**
Carrying Amount								
Balance at 31st March, 2023	**3,636.73**	**30.22**	**155.12**	**20.98**	**30.05**	**4,714.90**	**-**	**8,587.99**

* Refer Note 17 & 49 for Assets pledged.

5B. Property, plant and equipment (Own, unless otherwise stated) for the previous year ended 31st March, 2022.

₹ In Lakhs

	Building and structures *	*Vehicles*	*Data processing equipments*	*Office equipments*	*Furniture and fixtures*	*Plant and equipment* *	*Data processing equipments (Finance Lease)*	*As at 31st Mar., 2022*
Cost or Deemed cost								
Balance at 1st April, 2021	*4,569.40*	*61.18*	*176.41*	*189.05*	*196.97*	*8,379.60*	*1.02*	*13,573.63*
Additions	*174.63*	*44.62*	*182.09*	*5.97*	*0.58*	*1,052.29*	-	*1,460.18*
Disposals	*672.63*	*34.31*	*53.93*	*1.24*	*9.14*	*75.41*	-	*846.66*
Transferred from Investment Properties (Refer Note 6)	*53.58*	-	-	-	-	-	-	*53.58*
Balance at 31st March, 2022	*4,124.98*	*71.49*	*304.57*	*193.78*	*188.41*	*9,356.48*	*1.02*	*14,240.73*
Accumulated depreciation								
Balance at 1st April, 2021	*834.87*	*45.67*	*126.74*	*173.32*	*146.16*	*3,151.36*	*1.02*	*4,479.14*
Eliminated on disposals of assets	*587.86*	*34.31*	*53.78*	*1.24*	*5.41*	*36.20*	-	*718.80*
Depreciation expense for the year	*155.59*	*12.53*	*38.46*	*9.33*	*10.98*	*926.35*	-	*1,153.24*
Transferred from Investment Properties (Refer Note 6)	*30.34*	-	-	-	-	-	-	*30.34*
Balance at 31st March, 2022	*432.94*	*23.89*	*111.42*	*181.41*	*151.73*	*4,041.51*	*1.02*	*4,943.92*
Carrying Amount								
Balance at 31st March, 2022	*3,692.04*	*47.60*	*193.15*	*12.37*	*36.68*	*5,314.97*	-	*9,296.81*

** Refer Note 17 & 49 for Assets pledged.*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

5.1 (a) Capital work-in-progress

₹ In Lakhs

Particulars	**As at 1st Apr., 2022**	**Additions**	**Amounts Capitalised**	**As at 31st Mar., 2023**
Capital work in progress	81.82	618.63	517.66	**182.80**

Previous year

Particulars	*As at 1st Apr., 2021*	*Additions*	*Amounts Capitalised*	*As at 31st Mar., 2022*
Capital work in progress	*197.85*	*3,670.69*	*★ 3,786.72*	*81.82*

★ *Includes ₹ 2,277.08 lakhs paid towards Urban Land (Ceiling & Regulation) Act, 1976 premium for assets held for sale. Also refer Note 54.*

(b) Capital work-in-progress - Ageing
Current year

₹ In Lakhs

	Amounts in capital work-in-progress for				
	Less than one year	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Projects in progress	182.80	-	-	-	**182.80**
Projects temporarily suspended	-	-	-	-	-
Total	182.80	-	-	-	**182.80**

Previous year

	Amounts in capital work-in-progress for				
	Less than one year	*1-2 years*	*2-3 years*	*More than 3 years*	*Total*
Projects in progress	*81.82*	-	-	-	*81.82*
Projects temporarily suspended	-	-	-	-	-
Total	*81.82*	-	-	-	*81.82*

(c) There are no capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan.

(d) Title deeds of immovable properties not held in the name of the company :

Relevant line item in the Balance Sheet	**Description of property**	**Gross carrying value (₹ in Lakhs)**	**Title deeds held in the name of**	**Whether title deed holder is a promoter, director or their relative or employee**	**Period held - indicate range, where appropriate (years)**	**Reason for not being held in the name of the Company**
Property, plant and equipment and Investment Property	Land and building in Mumbai and Delhi	19.08	Gokak Patel Volkart Limited	No	14	Administrative procedures for change of name from Gokak Patel Volkart Limited, 2nd erstwhile name of the Company has not been carried out.
Property, plant and equipment and Investment Property	Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.96	Forbes Gokak Limited	No	8-60	Administrative procedures for change of name from Forbes Gokak Limited, the 3rd erstwhile name of the Company has not been carried out.
Investment Property	Premises at Chennai	40.76	Facit Asia Limited	No	13	Administrative procedures for change of name from Facit Asia Limited (FAL) has not been carried out. FAL was merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Relevant line item in the Balance Sheet	Description of property	Gross carrying value (₹ in Lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or their relative or employee	Period held - indicate range, where appropriate (years)	Reason for not being held in the name of the Company
Investment Property	Premises at Tuticorin	27.36	Volkart India Limited	No	14	Administrative procedures for change of name from Volkart India Limited (VIL) has not been carried out. VIL merged with Patel Volkart Limited which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name.

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Completed investment properties	**2,173.00**	*2,255.60*
Total	**2,173.00**	*2,255.60*

Cost or Deemed Cost		
Balance at 1st April, 2022 / 1st April, 2021	**2,663.69**	*2,720.95*
Disposals	16.59	*3.68*
Additions	-	-
Transferred to property, plant and equipment (Refer Note 5B)	-	*53.58*
Property classified as held for sale	8.11	-
Balance at 31st March, 2023 / 31st March, 2022	**2,639.00**	*2,663.69*

Accumulated depreciation		
Balance at 1st April, 2022 / 1st April, 2021	**408.09**	*376.21*
Transferred to property, plant and equipment (Refer Note 5B)	-	*30.34*
Disposals	3.37	*0.80*
Depreciation expense for the year	61.28	*63.02*
Balance at 31st March, 2023 / 31st March, 2022	**466.00**	*408.09*

Carrying amount		
Balance at 31st March, 2023 / 31st March, 2022	**2,173.00**	*2,255.60*

Notes:

(i) Investment properties (Cost) include jointly owned Residential Premises including land with carrying amount ₹ 1,551.52 Lakhs *(Previous year ₹ 1,551.52 Lakhs)* and Shares in Co-operative Housing Societies, Association of apartment owners and in a company aggregating ₹ 0.17 Lakh *(Previous year ₹ 0.17 Lakh)*.

(ii) Investment properties includes the rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 231.50 Lakhs *(Previous year ₹ 270.08 Lakhs)* of which ₹ 36.13 Lakhs *(Previous year ₹ 42.15 Lakhs)* has been disclosed under property, plant and equipment (Refer Note 5A). The Company has received approval for lease for the period 25th September, 2006 to 24th September, 2036 for 30 years U/s. 92(K) of BMC Act 1888.

6.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2023 and 31st March, 2022 have been arrived at on the basis of a valuation carried out as on the respective dates by V.S.Modi, independent valuer not related to the Company. V.S. Modi is registered with the authority which governs the valuers in India, and has appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties as well as other lettings of similar properties in the neighbourhood. In estimating the fair value of the properties, the highest and best use of the properties is their current use. Thus, the significant unobservable inputs are recent transaction price, taking into account the differences in location, and individual factors, such as frontage and size, between the comparables and the properties. Details of the Company's investment properties and information about the fair value hierarchy as at 31st March, 2023 and 31st March, 2022 are as follows:

₹ In Lakhs

Particulars	**Level 3**	
	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Andhra Pradesh - Land	**28.51**	*28.51*
Delhi - Building	**203.75**	*191.52*
Gujarat - Land and Building	**568.11**	*545.95*
Kerala - Building	**205.00**	*193.75*
Maharashtra - Land and Building	**62,063.71**	*61,578.95*
Tamil Nadu - Land and Building	**79.04**	*313.84*
West Bengal - Building	**686.83**	*641.95*
Total	**63,834.94**	*63,494.47*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

	As at 31st Mar., 2023	*As at 31st Mar., 2022*
	Software / Licences acquired	*Software / Licences acquired*
Cost or Deemed cost		
Balance at 1st April, 2022 / 1st April, 2021	**462.53**	*469.22*
Additions during the year	40.22	*49.47*
Disposals	-	*56.16*
Balance at 31st March, 2023 / 31st March, 2022	**502.75**	*462.53*
Accumulated amortisation		
Balance at 1st April, 2022 / 1st April, 2021	**313.52**	*304.20*
Eliminated on disposals of assets	-	*56.16*
Amortisation charge for the year	73.87	*65.48*
Balance at 31st March, 2023 / 31st March, 2022	**387.39**	*313.52*
Carrying Amount		
Balance at 31st March, 2023 / 31st March, 2022	**115.36**	*149.01*

8. Non Current Investments

8A. Investments in Subsidiaries ₹ In Lakhs

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	*As at 31st Mar., 2022 Qty*	*As at 31st Mar., 2022 Amount*
Unquoted Investments (all fully paid)				
a) Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	**50,385**	**6.82**	*50,385*	*6.82*
2. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	**38,64,131**	**1,781.78**	*38,64,131*	*1,781.78*
3. Equity component in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited (Refer Note 57)	**-**	**1,686.26**	*-*	*1,686.26*
4. Equity shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52)	**7,29,996**	**-**	*7,30,00,000*	*-*
[Provision for impairment in value ₹ 73.00 Lakhs; *(Previous year ₹ 7300.00 Lakhs)]*				
5. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	**4,87,500**	**180.00**	*4,87,500*	*180.00*
6. Equity component in Financial Guarantee given to Forbes Technosys Limited (Refer Note 52)	**-**	**-**	*-*	*-*
[Provision for impairment in value ₹ 350.78 Lakhs; *(Previous year ₹ 350.78 Lakhs)]*				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	*As at 31st Mar., 2022 Qty*	*As at 31st Mar., 2022 Amount*
7. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52)	-	-	-	-
[Provision for impairment in value ₹ 60.00 Lakhs; *(Previous year ₹ 6,015.51 Lakhs)]*				
8. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	-	-	-	-
9. Equity shares of ₹ 10 each in Forbes Precision Tools & Machine Parts Ltd.	**50,000**	**5.00**	-	-
10. Equity shares of Euro 1 each in EFL Mauritius Limited (Refer Note 53)	**15,001**	-	*15,001*	-
11. Equity shares of CHF 1,000 each in Forbes Lux International AG (Refer Note 53)	**33,500**	-	*33,500*	-
b) Preference Shares (at amortised cost)				
1. Preference Shares of Euro 1 each fully paid up in EFL Mauritius Limited (Refer Note 53)	-	-	*2,87,05,230*	-
2. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Note 1)	-	-	-	-
3. FTL-6% Non-Cumm,Non-Convrt, redmble Pref shares	-	**0.00**	-	-
Total		**3,659.86**		*3,654.86*

8B. Investments in associates

₹ In Lakhs

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	*As at 31st Mar., 2022 Qty*	*As at 31st Mar., 2022 Amount*
Unquoted Investments (all fully paid)				
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Neuvo Consultancy Services Limited	**58,849**	**5.88**	*58,849*	*5.88*
Total		**5.88**		*5.88*

8C. Other investments

Non Current

₹ In Lakhs

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	*As at 31st Mar., 2022 Qty*	*As at 31st Mar., 2022 Amount*
Quoted Investments (all fully paid)				
Equity Instruments (at fair value through OCI)				
1. Equity shares of ₹ 10 each in Eureka Forbes Limited	**12,00,000**	**5,120.40**	-	-
TOTAL AGGREGATE QUOTED INVESTMENTS (A)		**5,120.40**		-
Unquoted Investments (all fully paid)				
Equity Instruments (at fair value through Profit or Loss)				
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	**5,500**	**0.05**	*5,500*	*0.05*
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce	**10**	**0.00** *	*10*	*0.00* *
[Provision for impairment in value ₹ 0.05 Lakhs; *(Previous year ₹ 0.05 Lakhs)]*				

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	As at 31st Mar., 2022 Qty	As at 31st Mar., 2022 Amount
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	**1,000**	**0.10**	*1,000*	*0.10*
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited	**4,20,170**	**0.00** *	*4,20,170*	*0.00* *
[Provision for impairment in value ₹150.33 Lakhs; (Previous year ₹150.33 Lakhs)] (Refer Note 43)				
5. Equity shares of SGD 1 each in Forbes Container Lines Pte. Limited	**8,64,960**	**0.00** *	*8,64,960*	*0.00* *
[Provision for impairment in value ₹ 271.26 Lakhs; (Previous year ₹271.26 Lakhs)] (Refer Note 2 below)				
6. Equity shares of USD 1 each in Edumetry Inc. USA	**2,500**	**0.00** *	*2,500*	*0.00* *
[Provision for impairment in value ₹ 35.48 Lakhs; (Previous year ₹ 35.48 Lakhs)] (Refer Note 4 below)				
7. Equity shares of ₹ 25 each in Zoroastrian Co-operative Bank Limited	**100**	**0.03**	*100*	*0.03*
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)		**0.18**		*0.18*
Total (A + B)		**5,120.58**		*0.18*

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

Notes:

1. Pursuant to NCLT and Bombay High Court approval vide order dated 21st January, 2022 for capital reduction in Shapoorji Pallonji Forbes Shipping Limited (‘SPFSL’), 2,01,25,000 equity shares of ₹ 10 each and 87,50,000 preference shares of ₹ 10 each were cancelled.

   Further, SPFSL has incurred a loss of ₹ 879.84 Lakhs during the previous year ended 31st March, 2022 and SPFSL has sold some of its shipping vessels on which exceptional loss was incurred in the previous as well as in 31st March, 2021. As at the previous year-end only one ship remains and has been sold. Consequently, the recoverable value from use/ sale of the remaining vessels in SPSFL is lower as compared to the carrying value of the investment in SPFSL and an impairment provision of ₹ 791.41 Lakhs and ₹ 3,305.13 Lakhs respectively for the previous quarter and previous year ended 31st March, 2022 has been recorded as an exceptional expense.

   Further, the Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved the termination of the Joint Venture Agreement between Shapoorji Pallonji Forbes Shipping Limited (“SPFSL”), Sterling Investment Corporation Private Limited and G. S. Enterprises dated 1st December, 2014 with effect from close of business hours on 28th February, 2022. Consequently, w.e.f. 1st March, 2022, SPFSL ceases to be a subsidiary of the Company and now stands as an associate.

   The Board of Directors of the Company at their meeting held on 30th May, 2022 has approved the sale of its entire shareholding in SPFSL, an associate as at 31st March, 2022 of the Company. Accordingly, the net carrying value of the investment of ₹ 2,756.09 Lakhs has been classified as asset held for sale as at 31st March, 2022.

   During one of the earlier year the Board of Directors of the Company had given their acceptance for a scheme of Capital reduction in Shapoorji Pallonji Forbes Shipping Limited (‘SPFSL’), a subsidiary of the Company whereby 1,95,00,000 equity shares of ₹ 10 each were to be cancelled out of aggregate investment of 4,00,00,000 equity shares held by the Company. A petition was filed by SPFSL in the High Court of Judicature at Bombay on 2nd September, 2016. The scheme was approved by the Honorable Bombay High Court vide order dated 2nd December, 2016. Accordingly, the Company has recognized ₹ 1,931.50 Lakhs as loss on capital reduction of investment in equity shares and correspondingly, reversed the existing provisions of ₹ 2,380.00 Lakhs. The same was disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31st March, 2017.

2. Forbes Container Line Pte. Ltd., Singapore (“FCLPL”), a foreign subsidiary of the Company has been ordered to be wound by the High Court of Republic of Singapore on 19th August, 2016. An official liquidator has been appointed by the court. The Company has made full provision for investments made and loans given to FCLPL. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

3. Edumetry Inc., USA, a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company and not consolidated in these financial statements. The Company has made full provision for these investments in earlier years.

8D. Investments in Joint Ventures

₹ In Lakhs

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	*As at 31st Mar., 2022 Qty*	*As at 31st Mar., 2022 Amount*
Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 10 each in Forbes Concept Hospitality Services Private Limited	**26,25,000**	**-**	*26,25,000*	-
2. Equity Investment in Forbes Macsa Private Limited	**5,000**	**0.50**	-	-
3. Share application money in Forbes Macsa Private Limited	**-**	**249.50**	-	-
Total		**250.00**		-

Note : The Company has paid ₹ 99.50 Lakhs for Equity shares of ₹ 10 each and Pref. shares of ₹ 150.00 Lakhs.

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

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Financial assets carried at fair value through profit or loss		
Equity Instruments	0.18	*0.18*
Financial assets carried at fair value through OCI		
Equity Instruments	**5,120.40**	*0.18*
	5,120.58	*0.18*
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	**1,686.26**	*1,686.26*
Equity shares (Unquoted)	**2,229.49**	*1,974.48*
	3,915.75	*3,660.74*
Total	**9,036.33**	*3,660.92*
Note:		
Aggregate amount of unquoted investments (net of impairment)	**3,915.93**	*3,660.92*
Aggregate amount of impairment in value of investments	**590.12**	*14,123.41*

8. Current Investments

8F. Investments in Mutual Funds

₹ In Lakhs

Particulars	As at 31st Mar., 2023 Qty	As at 31st Mar., 2023 Amount	*As at 31st Mar., 2022 Qty*	*As at 31st Mar., 2022 Amount*
Unquoted Investments				
HDFC Mutual Fund	**11,228.399**	**492.25**	-	-
ICICI Prudential Mutual Fund	**2,01,614.658**	**666.65**	-	-
SBI Mutual Fund	**7,430.233**	**259.77**	-	-
TOTAL INVESTMENTS		**1,418.67**	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

9. Trade receivables

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Trade receivables		
a) Trade receivables from contract with customers – billed	**3,553.22**	*3,812.00*
b) Trade receivables from contract with customers – related parties	**3,431.88**	*3,135.54*
c) Less: Loss allowance	**4,061.21**	*3,803.24*
Total	**2,923.88**	*3,144.30*
Break-up of security details		
a) Secured, considered good	**82.47**	*108.53*
b) Unsecured, considered good	**2,841.41**	*3,035.77*
c) Doubtful	**4,061.21**	*3,803.24*
	6,985.09	*6,947.54*
Less: Allowance for doubtful debts (expected credit loss allowance)	**4,061.21**	*3,803.24*
Total	**2,923.88**	*3,144.30*

Note:

* Provision for doubtful debts includes provision on receivables from Forbes Technosys Ltd. ₹ 101.39 Lakhs, and persuant to the merger and demerger of EFL, from LIAG ₹ 3,223.84 Lakhs.

9.1 Trade receivables

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Debts due by private companies in which a director is a director / member (₹ in Lakhs) (Refer Note 40)	**1.81**	*3.61*
Less : Allowance for doubtful debts (expected credit loss allowance)	-	-
Net Debts	**1.81**	*3.61*

For trade receivables from related parties (Refer Note 40).

The average credit period on sales is approximately 50 days (Previous year 50 days).

There was a customer namely Krishna American Machinery Company whose outstanding is ₹ 161.00 Lakhs (other than intercompany balances) who represent more than 5% of the total balance of trade receivables.

Expected credit loss for trade receivables for the year ended 31st March, 2023

₹ In Lakh

	Outstanding for the following periods from the due date							
	Unbilled	**Not due**	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables								
Considered good	-	**2,172.31**	**705.61**	**5.28**	**15.79**	**3.93**	**20.96**	**2,923.88**
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	**67.03**	**24.23**	**3,246.04**	**67.89**	**448.52**	**3,853.71**
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	**207.50**	**207.50**
Total	-	**2,172.31**	**772.65**	**29.51**	**3,261.83**	**71.82**	**676.98**	**6,985.09**
Less: Allowance for losses								**4,061.21**
Total	-	**2,172.31**	**705.61**	**5.28**	**15.79**	**3.93**	**20.96**	**2,923.88**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Expected credit loss for trade receivables for the year ended 31st March, 2022

₹ In Lakh

	Outstanding for the following periods from the due date							
	Unbilled	*Not due*	*Less than 6 months*	*6 months - 1 year*	*1-2 years*	*2-3 years*	*More than 3 years*	*Total*
Undisputed trade receivables								
Considered good	-	2,552.71	561.27	4.21	-	-	26.11	3,144.30
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	4.99	69.85	178.60	3,549.80	3,803.24
Disputed trade receivables								
Considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit impaired	-	-	-	-	-	-	-	-
Total	-	2,552.71	561.27	9.20	69.85	178.60	3,575.91	6,947.54
Less: Allowance for losses								3,803.24
Total	-	2,552.71	561.27	4.21	-	-	26.11	3,144.30

Movement in the allowance for doubtful debts

₹ In Lakhs

	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Opening balance	**3,803.24**	*1,092.21*
Impairment losses recognised on receivables	**314.89**	*2,474.52*
Impairment losses recognised on composite scheme arrangement	**11.31**	*569.39*
Impact of foreign exchange on re-statement	**-**	*5.04*
Amounts written off during the year as uncollectible	**(29.42)**	*(240.35)*
Amounts recovered during the year	**(38.81)**	*(97.57)*
Balance at end of the year	**4,061.21**	*3,803.24*

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

Trade receivables of ₹ 4,061.21 Lakhs *(Previous year ₹ 3,803.24 Lakhs)* were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations.

10. Loans

10A. Non Current

₹ In Lakhs

Particulars	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
a) Advances to related parties		
-Unsecured, considered good	-	-
-Unsecured, considered doubtful	**14,518.59**	*13,239.59*
Less : Allowance for bad and doubtful advances	**14,518.59**	*13,239.59*
sub total (a)	**-**	*-*
b) Loans to related parties		
-Secured, considered good	-	-
-Unsecured, considered doubtful	**28,874.01**	*26,308.21*
Less : Allowance for doubtful loans	**28,874.01**	*26,308.21*
sub total (b)	**-**	*-*
c) Loans to others		
-Secured, considered good	-	-
-Unsecured, considered doubtful	**4,391.78**	*4,391.78*
Less : Allowance for bad and doubtful loans	**4,391.78**	*4,391.78*
sub total (c)	**-**	*-*
Total (a+b+c)	**-**	*-*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

10B. Current

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) Loans to related parties		
-Secured, considered good	-	-
-Unsecured, considered doubtful (Refer Notes 32B and 52)	**6,468.92**	*3,265.73*
Less : Allowance for bad and doubtful loans	**6,468.92**	*3,265.73*
Total (a)	**-**	*-*
b) Loans and advances to employees		
-Secured, considered good	-	-
-Unsecured, considered good	**10.61**	*0.83*
Total (b)	**10.61**	*0.83*
c) Loans to others		
-Unsecured, considered doubtful (Refer Notes 8 and 46)	**375.00**	*375.00*
Less : Allowance for bad and doubtful loans	**375.00**	*375.00*
Total (c)	**-**	*-*
Total (a+b+c)	**10.61**	*0.83*

Note: The above loans are carried at amortised cost.

Movement in the allowance for bad and doubtful loans and advances and Other financial assets

₹ In Lakhs

Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Balance at beginning of the year	**54,974.49**	*8,466.68*
Amounts provided for / (reversed) during the year	**419.19**	*35,203.84*
Impairment losses recognised on composite scheme arrangement	**7,399.71**	*16,216.44*
Impact of foreign exchange on re-statement	**-**	*(112.47)*
Converted to equity investments	**-**	*(4,800.00)*
Balance at end of the year	**62,793.39**	*54,974.49*

Details of loans and advances in the nature of loans granted to promoters, directors, key managerial personnel and related parties (as defined under Companies Act, 2013):

	As at 31st Mar., 2023 Amount outstanding	*As at 31st Mar., 2022 Amount outstanding*
a) amounts repayable on demand		
- Other related parties*	**35,342.93**	*29,573.94*
	35,342.93	*29,573.94*

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Percentage to the total loans and Advances in the nature of loans
Promoters	-	-
Directors	-	-
KMPs	-	-
Related Parties	35,342.93	100%

* The above mentioned loans to related parties are fully provided as on March 31, 2023 and March 31, 2022.

11. Other financial assets

11A. Non current

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) Security deposits		
- Unsecured, considered good	**124.48**	*143.76*
- Doubtful	**2.89**	*2.89*
Less : Allowance for bad and doubtful deposits	**2.89**	*2.89*
Total (a)	**124.48**	*143.76*
b) Balance held as margin money with banks with remaining maturity period of more than 12 months		
- Unsecured, considered good	**-**	*1.98*
Total (b)	**-**	*1.98*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ In Lakhs

Particulars			As at 31st Mar., 2023	*As at 31st Mar., 2022*
c)	**Accruals:**			
	i)	Inter Corporate Deposits to related parties and Advances to related parties	**7,722.03**	*7,035.84*
		Less : Allowance for doubtful interest	**7,722.03**	**7,035.84**
	Total (c)		**-**	-
Total (a+b+c)			**124.48**	*145.74*

11B. Current

₹ In Lakhs

Particulars			As at 31st Mar., 2023	*As at 31st Mar., 2022*
a)	**Accruals:**			
	i)	Interest accrued on deposits with bank	**22.14**	*0.70*
	ii)	Interest accrued on loans, considered doubtful (Refer Note 40 and Note 52)	**126.78**	*126.78*
		Less : Allowance for doubtful interest	**126.78**	*126.78*
	Total (a)		**22.14**	*0.70*
b)	**Contractually reimbursable expenses from related parties**			
	-	Unsecured, considered good	**221.01**	*92.72*
	-	Doubtful (Refer Note 40 and Note 52)	**313.38**	*228.67*
	Less : Allowance for doubtful debts		**313.38**	*228.67*
	Total (c)		**221.01**	*92.72*
c)	**Other current receivables**			
	-	Unsecured, considered good (Refer Note 44)	**0.36**	*2.59*
	Total (d)		**0.36**	*2.59*
	Total (a+b+c)		**243.51**	*96.01*

12. Inventories

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Inventories (lower of cost and net realisable value)		
Raw materials including packing materials [In transit ₹ 5.55 Lakhs; *(Previous year ₹ 287.74 Lakhs)]*	**719.39**	*1,869.28*
Work-in-progress	**1,028.68**	*817.19*
Finished goods [In transit ₹ 343.06 Lakhs; *(Previous year ₹ 199.45 Lakhs)]*	**1,341.32**	*1,388.16*
Stock-in-trade [In transit ₹ Nil; *(Previous year ₹ 12.14 Lakhs)]*	**232.32**	*154.09*
Stores and spares	**125.10**	*141.62*
Real estate work-in-progress (Refer Note 50)	**14,605.55**	*11,973.79*
Total	**18,052.36**	*16,344.13*

Note:

The cost of inventories recognized as an expense/(Gain) includes (₹11.59 Lakhs) *(Previous year ₹ 360.82.84 Lakhs)* in respect of write-downs to net realizable value respectively.

13. 13A. Cash and cash equivalents

₹ In Lakhs

Particulars		As at 31st Mar., 2023	*As at 31st Mar., 2022*
Balances with Banks			
a)	In Current Accounts	**1,064.54**	*549.43*
b)	In EEFC Account [USD 30,182.47; (Previous year USD 80,631.91) and EUR Nil; (Previous year EUR 837.68)]	**24.80**	*61.65*
c)	In deposit accounts (with original maturity upto 3 months)	**2,536.59**	-
		3,625.93	*611.08*
Cash on hand		-	*0.00*
	Total	**3,625.93**	*611.08*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

13B. Other Bank balances

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) Earmarked balance with the banks:		
-Unpaid dividends	**64.75**	*24.30*
b) In deposit accounts with original maturity of more than 3 months but less than 12 months, deposited under lien.	**1,375.29**	*5.10*
c) Balances held as margin money / under lien with remaining maturity of less than 12 months *	**372.34**	*259.81*
Total	**1,812.38**	*289.21*

Note:
*Includes ₹ 116.79 Lakhs FD Guarantee given by FTL to the bank.

14. Other assets

14A. Non Current

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) Capital Advances	**221.74**	*33.11*
b) Prepaid expenses	**69.13**	*75.95*
c) Balances with government authorities		
-Unsecured, considered good	**92.25**	*105.03*
-Doubtful	**73.31**	*83.31*
Less : Allowance for doubtful balances	**73.31**	*83.31*
	92.25	*105.03*
d) Advance wealth tax	**49.94**	*49.94*
Total	**433.06**	*264.03*

14B. Current

₹ In Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) Advances for supply of goods and services		
-Unsecured, considered good	**175.29**	*181.11*
-Doubtful	**14.76**	*24.09*
Less : Allowance for doubtful advances	**14.76**	*24.09*
	175.29	*181.11*
b) Advance to HDFC Life - Leave Encashment	**126.90**	-
c) Provision for Gratuity/Provision for Gratuity Fund with LIC - Debit balance Company level	**0.64**	*0.64*
d) Prepaid expenses	**1,086.88**	*711.40*
e) Balances with government authorities	**37.79**	*136.94*
f) Export incentives receivables	**9.07**	*33.25*
g) Others	-	*3.92*
Total	**1,436.57**	*1,067.26*

15. Equity share capital

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Authorised Share capital :		
4,30,50,000 fully paid equity shares of ₹ 10 each *(Previous year 4,30,50,000)*	**4,305.00**	*4,305.00*
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each *(Previous year 1,28,98,616)*	**1,289.86**	*1,289.86*
	1,289.86	*1,289.86*

During Previous year, the Authorised Share Capital of the Company was increased from ₹ 1,50,00,000 to ₹ 4,30,50,000 pursuant to the Composite Scheme of Arrangement approved by the National Company Law Tribunal vide order dated January 25, 2022 (Refer Note 53).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Notes:

1 Fully paid equity shares

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

Rights, preferences and restrictions attached to equity shares

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

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

Particulars	Fully paid ordinary shares As at 31st Mar., 2023	*As at 31st Mar., 2022*
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*
Forbes Campbell Finance Limited, subsidiary of the company	**1,66,398**	*1,66,398*
Total	**95,25,691**	*95,25,691*

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

Particulars	As at 31st Mar., 2023 Number of shares held	% holding in the class of shares	*As at 31st Mar., 2022 Number of shares held*	*% holding in the class of shares*	*% Change during the year*
Fully paid equity shares					
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*	-
India Discovery Fund Limited	**11,48,255**	**8.90**	*11,48,255*	*8.90*	-
Total	**1,05,07,548**	**81.46**	*1,05,07,548*	*81.46*	-

4 The Company has not alloted any equity shares for consideration other than cash, bonus shares, nor have any shares been bought back during the period of five years immediately preceding the Balance Sheet date.

5 Details of shareholding of promoters

Particulars	As at 31st Mar., 2023 Number of shares held	% holding in the class of shares	*As at 31st Mar., 2022 Number of shares held*	*% holding in the class of shares*	*% Change during the year*
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*	-
Forbes Campbell Finance Limited	**1,66,398**	**1.29**	*1,66,398*	*1.29*	-
Total	**95,25,691**	**73.85**	*95,25,691*	*73.85*	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

16. Other equity

₹ in Lakhs

Particulars		As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) General reserve			
Balance at beginning of the year		**39,954.45**	*16,188.60*
Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	**-**	*23,765.85*
Balance as at the year end		**39,954.45**	*39,954.45*
b) Capital reserve			
Balance at beginning of the year		**(93,902.99)**	-
Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	**-**	*619.09*
Capital reserve created on merger (Refer note 53) *		**-**	*(94,522.08)*
Balance at end of the year		**(93,902.99)**	*(93,902.99)*
c) Retained earnings			
Balance at beginning of the year		**56,589.04**	*(399.35)*
Profit for the year		**23,859.16**	*4,13,294.21*
Payment of dividends on equity shares		**(8,384.10)**	-
Deemed Dividend (Refer note 53)		**-**	*(4,06,600.00)*
Impact of merger as per the composite scheme of arrangement (Refer note 53)	*	**-**	*50,294.17*
Balance at end of the year		**72,064.10**	*56,589.04*
d) Other comprehensive income			
Balance at beginning of year		**(28.16)**	*(49.75)*
Add: OCI Current		**1,307.91**	*21.59*
Balance at end of the year		**1,279.75**	*(28.16)*
Total		**19,395.31**	*2,612.34*
(i) Equity shares			
Deemed Dividend for the previous year 31st March, 2022 of 3,152.28 per equity share fully paid share had been distributed pursuant to the Composite Scheme of Arrangement approved by the Board of Directors of the Company at their Board meeting dated 8th September, 2020. This Scheme was sanctioned by the NCLT vide order dated 25th January, 2022.		-	*4,06,600.00*

* The impacts of the reserves taken over as a result of the merger as per the composite scheme of arrangement (Refer note 53), have been determined to the extent practically identifiable by the Company.

During the quarter ended 30th September 2022, the Company has paid Special interim dividend of ₹ 65/- per fully paid equity share of ₹ 10 each for financial year 2022-23 after completing all the necessary compliances.

Description of Reserves

Retained Earnings: Retained earnings represent the amount of accumulated earnings of the Company

Securities premium reserve: The amount received in excess of the par value of equity shares has been classified as securities premium.

General reserve: The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

Capital Redemption Reserve: As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Other Comprehensive income: This reserve represents the cumulative gains (net of losses) arising on the revaluation of Equity Instruments measured at fair value through Other comprehensive Income, net of amounts reclassified, If any , to Retained Earnings when those instruments are disposed off.

Capital Reserve: During merger, the excess of net assets acquired, over the cost of consideration paid is treated as capital reserve.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

17. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2023	*As at 31st Mar., 2022*	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
(a) Term loans				
From banks				
i) DCB Bank Limited Term Loan - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. "[Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4th April, 2022 and last installment is due on 4th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan - Additional borrowings of ₹ 487.6 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 4th February, 2024 and last installment is due on 4th January, 2028. Rate of interest is EBLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan] "	**1,012.95**	*1,248.76*	**243.25**	*213.84*
ii) DCB Bank Limited Term Loan - Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. [Repayable as per the repayment schedule agreed with the bank from time to time. First installment is due in 31st October, 2020 and last installment is due in 30th April, 2024. Rate of interest in the range of 9.70% p.a. to 10.45% p.a.]	-	*1,317.91*	-	*1,600.00*
iii) Toyota Financial Services Loan - Secured against hypothecation of Car (Refer Note 49) [Repayable as per the repayment schedule agreed with the financial institution from time to time. First installment is due in 20th September, 2021 and last installment is due in 20th August, 2026. Rate of interest is 8.26% p.a.]	-	*25.51*	-	*6.23*
iv) Federal Bank Limited Term Loan - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [- Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31st January, 2022 and last installment is due in 2nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a. - Additional borrowings of ₹ 1,296 Lakhs availed under the same scheme during the year ended 31st March, 2022, repayable in 48 equated monthly installments, after moratorium of 24 months. First installment is due on 2nd April, 2024 and last installment is due on 29th March, 2028. Rate of interest is Repo rate + 5.25% spread p.a.]	-	*2,786.41*	-	*425.86*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Non-current portion As at 31st Mar., 2023	Non-current portion *As at 31st Mar., 2022*	Current maturities As at 31st Mar., 2023	Current maturities *As at 31st Mar., 2022*
v) **Federal Bank Limited Term Loan** - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 24th July, 2022 and last installment is due in 24th June, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	-	*127.58*	-	*24.42*
vi) **Federal Bank Limited Term Loan** - under the Central Government launched Guranteed Emergency Credit Line Scheme 2.0 (GECL 2.0) - Secured by second charge by way of hypothecation of certain investment properties of the Company. [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 2nd August, 2022 and last installment is due in 2nd July, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	-	*42.03*	-	*6.97*
	1,012.95	*5,548.20*	**243.25**	*2,277.32*
Less: Amount disclosed under "Current Borrowings"	-	-	**(243.25)**	*(2,277.32)*
Total	**1,012.95**	*5,548.20*	-	-

18. Other financial liabilities

18A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Security deposits	**254.49**	*139.50*
Total	**254.49**	*139.50*

18B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) Interest accrued but not due on borrowings	**8.91**	*8.90*
b) Unpaid dividends **	**64.75**	*24.30*
c) Others :-		
- Payables on purchase of fixed assets	**16.37**	*479.50*
- Security deposits	**456.46**	*411.67*
- Other Payables	**47.76**	*2,828.96*
- Deposits and other charges payable to society	**683.88**	*776.40*
Total	**1,278.13**	*4,529.73*

** In the previous year, the Company has transferred ₹ 0.04 Lakhs and ₹ 0.00 pertaining to unpaid dividend of 2012-13 and 2013-14 respectively to the Investor Education and Protection Fund (IEPF)/ custodians on June 2, 2021 on settlement of outstanding matters.

19. Provisions

19A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
a) **Employee benefits**		
Gratuity (Refer Note 35)	-	*63.28*
Other post retirement benefits (Refer Note 35)	**182.58**	*207.29*
b) **Other Provisions** (Refer Note 1 below)	**569.78**	*265.49*
Total (a+b)	**752.36**	*536.06*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

19B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Employee benefits		
Compensated absences	-	*301.62*
Gratuity (Refer Note 35)	**38.12**	*102.04*
Other post retirement benefits (Refer Note 35)	**33.01**	*33.31*
Total	**71.13**	*436.97*

Note : 1

Other Provisions

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Balance at the beginning of the year	**265.49**	*311.50*
Add: Provisions made during the year	**304.29**	-
Less: Utilisation / reversal during the year	-	*46.01*
Balance at the end of the year	**569.78**	*265.49*

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

20. Deferred tax balances

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

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Deferred tax assets	**1,458.83**	*2,098.11*
Deferred tax liabilities	-	*75.08*
Net	**1,458.83**	*2,173.19*

Current Year (2022-23)

₹ in Lakhs

	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Other Comprehensive Income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	(618.65)	(11.72)	-	(630.37)
b) Right of Use Assets	(10.53)	(123.16)	-	(133.69)
c) Lease Liability	6.42	129.20	-	135.62
d) Allowances for doubtful debts and advances	239.56	35.04	-	274.60
e) Defined benefit obligation	41.61	(25.81)	(6.22)	9.58
f) Provisions and liabilities to be allowed on payment basis	80.00	6.07	5.03	91.10
g) Tax losses	122.83	(114.20)	-	8.63
h) Long Term Capital Loss	1,393.05	(606.48)	(171.70)	614.87
i) Profits from Real Estate Business (Refer Note 50 below)	918.90	169.59	-	1,088.49
Total	**2,173.19**	**(541.47)**	**(172.89)**	**1,458.83**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Previous Year (2021-22)

₹ in Lakhs

Particulars	*Opening balance*	*Recognised in Statement of Profit and Loss*	*Recognised in Other Comprehensive Income*	*Closing balance*
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	*(650.81)*	*32.16*	*-*	*(618.65)*
b) Right of Use Assets	*(53.69)*	*43.16*	*-*	*(10.53)*
c) Lease Liability	*53.52*	*(47.10)*	*-*	*6.42*
d) Allowances for doubtful debts and advances	*329.48*	*(89.92)*	*-*	*239.56*
e) Defined benefit obligation	*40.26*	*1.35*	*-*	*41.61*
f) Provisions and liabilities to be allowed on payment basis	*96.07*	*(16.07)*	*-*	*80.00*
g) Tax losses	*477.46*	*(354.63)*	*-*	*122.83*
h) Long Term Capital Loss	*-*	*1,393.05*	*-*	*1,393.05*
i) Profits from Real Estate Business (Refer Note 50 below)	*822.18*	*96.72*	*-*	*918.90*
Total	*1,114.47*	*1,058.72*	*-*	*2,173.19*

Note:
During the previous year ended 31st March, 2021, the Company has decided to exercise the option prescribed in Section 115 BAA of the Income Tax Act, 1961 and to pay tax at a lower rate while computing the tax expense for the current financial year. Accordingly, deferred tax asset has been remeasured at the lower rate and deferred tax asset on MAT credit has been expensed out in that year.

Note:
There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

21. Other liabilities
Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
a) Advances from customers [includes ₹ 22,680.64 Lakhs; *(Previous year ₹ 15,763.99 Lakhs)* towards installments received from customers towards real estate development projects in progress] (Refer Note 50)	**23,082.13**	*16,188.52*
b) Statutory remittances	**129.11**	*230.86*
c) Others		
- Payable to Employees	**892.09**	*824.35*
- Others	**31.65**	*30.83*
- Advance for land sale	**-**	*4,000.00*
Total	**24,134.98**	*21,274.56*

22. Borrowings
Current

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Current maturities of long term borrowings	**243.25**	*2,277.32*
Unsecured - at amortised cost		
a) Credit card facility availed from Axis Bank (Tenure of 51 days)	**-**	*247.59*
Total	**243.25**	*2,524.91*
Secured - at amortised cost		
Loans repayable on demand		
From banks		
i) Cash credit from consortium of banks - Secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia.	**-**	*2,095.65*
Total	**243.25**	*4,620.56*

During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 Crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account.

23. Trade payables
Current

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Micro and small enterprises	**678.67**	*550.98*
Others (includes due to related parties as per Note 40)	**3,111.53**	*4,179.79*
Total	**3,790.20**	*4,730.77*

Ageing of Trade Payables for the year ended 31st March, 2023

₹ in Lakhs

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date: 6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	678.20	0.46	0.02	-	-	**678.67**
Others	-	1,303.06	1,734.53	0.52	7.72	65.71	**3,111.53**
Disputed trade receivables							
Micro enterprises and small enterprises	-	-	-	-	-	-	**-**
Others	-	-	-	-	-	-	**-**
Total	**-**	**1,981.25**	**1,734.97**	**0.54**	**7.72**	**65.71**	**3,790.20**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Ageing of Trade Payables for the year ended 31st March, 2022

₹ in Lakhs

Particulars	*Unbilled*	*Not due*	*Outstanding for the following periods from the due date*				
			6 months - 1 year	*1-2 years*	*2-3 years*	*More than 3 years*	*Total*
Undisputed trade payables							
Micro enterprises and small enterprises	-	525.87	25.10	0.01	-	-	550.98
Others	-	2,253.51	1,840.10	10.95	2.99	72.24	4,179.79
Disputed trade receivables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	-	2,779.38	1,865.20	10.96	2.99	72.24	4,730.77

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

₹ in Lakhs

Particulars	**31st Mar., 2023**	*31st Mar., 2022*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**504.36**	*438.22*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**0.34**	*1.28*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**4,782.17**	*2,698.28*
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	*-*
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	**-**	*-*
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	**59.02**	*32.39*
Further interest remaining due and payable for earlier years	**115.29**	*79.09*

24. Income tax assets and liabilities

₹ in Lakhs

Particulars	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Tax assets		
Tax refund receivable (net)	**645.17**	*951.85*
	645.17	*951.85*
Tax liabilities		
Income tax payable (net)	**57.34**	*-*
	57.34	*-*
Net Asset	**587.83**	*951.85*
Movement during the year		
Balance at the beginning of the year	951.85	*1,419.95*
Add: Taxes paid (including tax deducted at source / self assessment tax)	361.24	*337.38*
Less: Refund received (net of taxes paid / adjusted)	(403.80)	*(805.48)*
Less: Current tax payable for the year	(269.66)	*-*
Less: Short prov for tax for earlier year	(51.80)	*-*
Balance at the year end	**587.83**	*951.85*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

25. Revenue from operations

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

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	Year ended 31st Mar., 2022
a) Income from real estate contracts	**238.08**	*1,490.58*
b) Sales		
Sale of products		
i) Finished Goods	**22,328.49**	*20,256.64*
ii) Traded Good	**378.77**	*171.85*
	22,707.26	*20,428.49*
Sale of services		
i) Service income	**116.67**	*119.75*
	116.67	*119.75*
c) Other operating revenues		
i) Rent and amenities	**1,555.33**	*1,382.56*
ii) Export incentives	**71.54**	*18.89*
iii) Others (mainly includes scrap sales)	**91.97**	*64.24*
	1,718.84	*1,465.69*
Total	**24,780.85**	*23,504.51*

26. Other Income

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	Year ended 31st Mar., 2022
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	**159.23**	*57.68*
ii) Inter-corporate deposit	**3.36**	*18.83*
iii) Customers and others	**5.77**	*8.55*
Total (a)	**168.36**	*85.06*
b) Dividend Income		
i) from long-term investments	**0.00**	*-*
Total (b)	**0.00**	*-*
c) Other Non-Operating Income		
i) Credit balances / excess provision written back	**19.47**	*84.85*
ii) Interest on Income Tax/ Wealth Tax refund	**20.55**	*525.21*
iii) Miscellaneous income (mainly includes recoveries from group companies)	**48.97**	*54.11*
iv) Recoveries of doubtful debts	**-**	*79.01*
Total (c)	**88.99**	*743.18*
d) Other gains and losses		
i) Gain on disposal of property, plant and equipment	**20,983.59**	*345.95*
ii) Gain on disposal of current investments	**106.38**	*-*
iii) Gain on fair value / interest of long-term investments in subsidiaries	**-**	*158.37*
iv) Net foreign exchange gains	**-**	*13.63*
v) Guarantee Commission (including notional income recognised)	**0.24**	*23.66*
vi) Unrealised gain/loss	**45.15**	*-*
Total (d)	**21,135.36**	*541.61*
Total (a + b + c + d)	**21,392.71**	*1,369.85*

27. Real estate development costs

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	Year ended 31st Mar., 2022
i) Material and Contractual Payments	**2,470.30**	*2,168.82*
ii) Fees for technical services / design and drawings	**19.13**	*26.71*
iii) Project Management Consultancy Fees	**146.81**	*150.12*
iv) Fees-filing with Statutory Authourities	**16.90**	*28.91*
v) Interest on borrowings	**-**	*52.75*
vi) Operation and maintenance expenses	**110.06**	*84.18*
Total	**2,763.20**	*2,511.49*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Opening stock of raw materials including packing materials	**1,869.28**	*961.61*
Purchases	**8,077.30**	*9,073.80*
	9,946.58	*10,035.41*
Less: Closing stock of raw materials including packing materials	**719.39**	*1,869.28*
	9,227.19	*8,166.13*

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

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

₹ in Lakhs

	Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
a)	**Inventories at the end of the year:**		
i)	Finished goods	**1,341.32**	*1,388.16*
ii)	Work-in-progress	**1,028.68**	*817.19*
iii)	Stock-in-trade	**232.32**	*154.09*
iv)	Real estate development work-in-progress	**14,605.56**	*11,973.79*
		17,207.88	*14,333.23*
b)	**Inventories at the beginning of the year:**		
i)	Finished goods	**1,388.16**	*1,002.70*
ii)	Work-in-progress	**817.19**	*590.45*
iii)	Stock-in-trade	**154.09**	*21.26*
iv)	Real estate development work-in-progress	**11,973.79**	*10,504.58*
		14,333.23	*12,118.99*
	Net increase (b)-(a)	**(2,874.65)**	*(2,214.24)*

29. Employee benefits expense

₹ in Lakhs

	Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
i)	Salaries and Wages (Refer Note 35 II D)	**4,527.31**	*4,332.33*
ii)	Contribution to provident and other funds (Refer Note 35)	**310.03**	*269.24*
iii)	Staff Welfare Expenses	**291.50**	*278.69*
	Total	**5,128.84**	*4,880.26*

30. Finance costs

₹ in Lakhs

		Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
(a)		**Interest costs :-**		
	i)	Interest on bank overdrafts and loans	**579.09**	*1,120.27*
	ii)	Interest expenses on lease liabilities	**48.20**	*14.01*
	iii)	Delayed payment of taxes	**0.38**	*0.35*
	iv)	Other interest expense	**59.02**	*83.73*
			686.69	*1,218.36*
(b)		Other borrowing costs	**131.75**	*16.28*
		Total	**818.44**	*1,234.64*

31. Depreciation and amortisation expense

₹ in Lakhs

	Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
i)	Depreciation on property, plant and equipment (Refer Note 5)	**1,181.54**	*1,153.24*
ii)	Depreciation of investment properties (Refer Note 6)	**61.28**	*63.02*
iii)	Depreciation Right-of-use assets (Refer Note 45)	**45.77**	*26.05*
iv)	Amortisation of intangible assets (Refer Note 7)	**73.88**	*65.48*
	Total	**1,362.47**	*1,307.79*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

32. A. Other expenses

₹ in Lakhs

Particulars	**₹ in Lakhs**	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*
Consumption of stores and spare parts		**671.33**	*706.70*
Processing charges		**1,266.32**	*1,216.26*
Power and fuel		**522.13**	*514.44*
Service charges		**421.85**	*409.53*
Rent and hire charges		**638.83**	*16.85*
Repairs and maintenance to :			
i) Buildings	243.82		*624.26*
ii) Plant and machinery	411.95		*367.36*
iii) Others	246.39		*242.63*
		902.16	*1,234.25*
Insurance		**59.54**	*56.43*
Rates and taxes		**150.54**	*156.45*
Selling expenses, commission and brokerage		**239.27**	*264.11*
Freight and outward charges		**356.95**	*317.86*
Advertisement and sales promotion		**430.17**	*133.64*
Printing and Stationery		**30.81**	*31.38*
Communication		**59.74**	*68.73*
Legal and professional charges		**579.17**	*544.23*
Travelling and conveyance		**330.80**	*182.99*
Trade receivables written off	29.42		*241.35*
Less: Provision held	29.42		*240.35*
		-	*1.00*
Advances written off		**-**	*26.25*
Provision for doubtful trade receivables		**26.74**	*0.00*
Provision for doubtful loans and advances		**55.82**	*2.34*
Loss on sale of property, plant and equipment (net)		**-**	*0.16*
Corporate social responsibility expenditure (Refer Note 2 below)		**71.85**	*24.94*
Net loss on Foreign currency transactions and translations		**5.14**	*(0.00)*
Security Expenses		**154.12**	*185.34*
Miscellaneous expenses		**495.61**	*380.58*
Auditors remuneration			
To Statutory Auditors			
i) For audit	98.28		*88.61*
ii) For reimbursement of expenses	6.21		*3.49*
		104.49	*92.10*
To cost auditors		**3.51**	*4.00*
		108.00	*96.10*
Total		**7,576.89**	*6,570.56*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Note 1: Included in other expenses are the below:		
Direct operating expenses arising from investment property that generated rental income during the year	**646.80**	*407.24*
Direct operating expenses arising from investment property that did not generate rental income during the year	**18.56**	*18.56*
Total	**665.36**	*425.80*
Note 2: Details of Corporate social responsibility expenditure:		
As per Section 135 of the Act, a Company meeting the applicability threshold, needs to spend atleast 2% of its average net profit for the immediately preceding three financial years on CSR activities. The major areas for CSR activities are promoting education facilities. A CSR committee has been formed by the Company as per the Act.		
Amount required to be spent as per section 135 of the Act.	**28.05**	*24.94*
Amount spent during the year:		
(i) Constructions/ Acquisition of an asset	**18.71**	-
(ii) For the purposes other than (i) above	**-**	-
Total	**18.71**	-
Agreements entered for construction / acquisition of assets	**-**	-
Contribution for activities promoting educational facilities	**18.71**	-
Accrual towards unspent obligations in relation to other than ongoing projects	**9.34**	*24.94*

Year	**Balance as at 1st April, 2022**		**Amount required to be spent during the year**	**Amount Spent during the year**		**Balance as at 31st March, 2023**	
	With the Company	**In Separate CSR unspent account**		**From the Company's Bank Account**	**From Separate CSR unspent account**	**With the Company**	**In Separate CSR unspent account**
2023	-	18.01	28.05	18.71	18.01	-	★ 9.34
2022	-	18.01	24.94	-	18.01	24.94	-

* ₹ 9.34 Lakhs has been transferred to a separate CSR unspent account on 28th April, 2023.

B. Exceptional items

₹ in Lakhs

	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Investments written off	**145.22**	-
Provision for disputed matters (Refer Note 44)	**-**	*(230.19)*
Impairment of investments, loans (including interest accrued thereon) and other receivables in a subsidiary / provision for Guarantees given to a subsidiary (Forbes Technosys Limited) (Refer Note 52)	**-**	*(7,517.23)*
Impairment of investments in a subsidiary / associate (Shapoorji Pallonji Forbes Shipping Limited) (Refer Note 54)	**-**	*(3,305.13)*
Notional income on early redemption of debentures (Forbes Campbell Finance Limited) (Refer Note 57)	**-**	*1,203.49*
Impairment of loans, financial assets and receivables in a subsidiary (Lux Group) (Refer Note 58)	**-**	*(32,935.67)*
Notional gain on distribution of demerged undertaking to owners (Refer Note 53)	**-**	*4,52,875.74*
Profit on sale of Investment in FFSPL	**3,200.41**	-
Provision for doubtful trade receivables	**(1.49)**	-
Provision for doubtful Contractually reimbursable expenses to related parties	**(19.56)**	-
Provision for doubtful loans and advances	**(419.19)**	-
Total	**2,905.39**	*4,10,091.01*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

33. Income taxes

33.1 Income tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
For Continuing operations		
Current tax		
In respect of the current year	**269.66**	-
(Excess) / short provision for tax of earlier years	**51.80**	-
	321.46	-
Deferred tax		
In respect of the current year	**541.47**	*(1,058.72)*
	541.47	*(1,058.72)*
Total income tax expense recognised in the current year relating to continuing Operations	**862.93**	*(1,058.72)*

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

Profit before tax from total operations	**24,722.10**	*4,12,235.49*
Income tax expense calculated at 25.168% (2021-22: 25.168%)	**6,222.06**	*1,03,759.67*
Effect of expense that is non deductible in determining taxable profit	**165.52**	*(1,14,291.71)*
Effect of tax incentives and concession	**(26.14)**	*(49.17)*
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	**(5.48)**	*(39.86)*
Effect of income that is exempt from taxation	**-**	*10,179.49*
Impact of Capital Loss	**(1,756.32)**	*(561.15)*
Changes in the estimate related to prior years	**51.80**	-
Recognition of previously unrecognised tax losses	**(3,815.34)**	-
Derecognition of the previously recognised DTA	**27.61**	-
Others	**(1.66)**	*(55.99)*
Income tax expense recognised in the Statement of Profit and Loss	**862.03**	*(1,058.72)*

33.2 Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Others		
Deferred tax		
Re-measurement of defined benefit obligation	**(172.90)**	-
Total income tax expense recognised in other comprehensive income	**(172.90)**	-

34. Earnings per share

Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Profit for the year (After exceptional items) (₹ in Lakhs) (A)	**23,859.16**	*4,13,294.21*
Profit for the year (Before exceptional items) (₹ in Lakhs) (D)	**20,953.77**	*3,203.20*
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (Quantity in Lakhs) (B)	**128.99**	*128.99*
Basic/ Diluted Earnings per equity share (After exceptional items) C=(A/B) (₹)	**184.95**	*3,203.83*
Basic/ Diluted Earnings per equity share (Before exceptional items) C=(D/B) (₹)	**162.43**	*24.83*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

35. Employee Benefits :

Brief description of the Plans:

The Company has various schemes for long term employees benefits such as Provident Fund, Gratuity, Superannuation, Employees State Insurance Fund (ESIC) and Employees' Pension Scheme, Compensated absences and Post Retirement Medical and Non Compete fees. The Company's defined contribution plans are Superannuation, Employees State Insurance Fund and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952). The Company has no further obligation beyond making the contributions to such plans. The Company's defined benefit plans include Provident Fund, Gratuity, Post Retirement Medical and Non Compete fees.

Gratuity

The Company provides for gratuity payable to employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

The gratuity plan is a funded plan and the Company had obtained insurance policies with Life Insurance Corporation of India (LIC) and makes a contribution to LIC for amounts notified by LIC. The Company accounts for gratuity benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

The Company's Gratuity Plan is administered by an insurer and the Investments are made in various schemes of the trust. The Company funds the plan on a periodical basis.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the gratuity / provident fund obligations match the benefit payments as they fall due.

Provident Fund

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident fund, in which both the employees and the Company make monthly contributions at a specified percentage of the employees' eligible salary. The contributions are made to the provident fund managed by the trust set up by the Company which are charged to the Statement of Profit and Loss as incurred. A large portion of provident fund trust assets consists of government and corporate bonds, although the Company also invests in equities, cash and mutual funds. The plan asset mix is in compliance with the requirements of the regulations in case of Provident fund.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations, with the objective that assets of the provident fund obligations match the benefit payments as they fall due.

Post retirement medical and non-compete fees

Under the post-retirement medical and non-compete fees, eligible whole-time directors and on their demise, their spouses are entitled to medical benefits subject to certain limits and fixed monthly payment as non-compete fee. The Company accounts for these benefits payable in future based on an independent external actuarial valuation carried out at the end of the year using the Projected Unit Credit method.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Plan investment is a mix of investments in government securities, and other debt instruments.

Interest risk

A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

I. Charge to the Statement of Profit and Loss based on contributions:

₹ in Lakhs

Particulars	Year ended	
	31st Mar., 2023	*31st Mar., 2022*
Employer's contribution to Regional Provident Fund Office	**66.04**	*62.19*
Employer's contribution to Superannuation Fund	**47.69**	*52.19*
Employer's contribution to Employees' State Insurance Corportion and other funds	**43.08**	*38.18*

Included in Contribution to Provident and Other Funds (Refer Note 29)

II. Disclosures for defined benefit plans based on actuarial valuation reports :-

A. Change in Defined Benefit Obligation

₹ in Lakhs

	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
Particulars	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*
Present Value of Defined Benefit Obligation as at beginning of the year	**745.13**	*740.65*	**240.60**	*301.70*
Interest Cost	**49.70**	*45.00*	**16.54**	*19.02*
Current Service Cost	**42.56**	*18.62*	**-**	*-*
Benefits Paid	**(132.20)**	*(81.77)*	**(31.15)**	*(38.44)*
Remeasurement of defined benefit obligation	**41.25**	*22.63*	**(10.40)**	*(41.68)*
Present Value of Defined Benefit Obligation as at the end of the year	**746.44**	*745.13*	**215.59**	*240.60*

B. Changes in the Fair Value of Assets

₹ in Lakhs

	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
Particulars	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*
Fair Value of Plan Assets as at beginning of the year	**579.82**	*580.69*	**-**	*-*
Interest Income	**38.85**	*36.35*	**-**	*-*
Contributions from employer	**203.00**	*42.00*	**-**	*-*
Benefits Paid	**(132.20)**	*(81.77)*	**-**	*-*
Return on Plan Assets, excluding Interest Income	**16.55**	*2.55*	**-**	*-*
Fair Value of Plan Assets as at the end of the year	**706.02**	*579.82*	**-**	*-*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

C. Amount recognised in the Balance Sheet

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Present Value of Defined Benefit Obligation as at the end of the year	**746.44**	*745.13*	**215.59**	*240.60*
Fair Value of Plan Assets as at end of the year	**706.02**	*579.82*	**-**	*-*
Net Liability recognised in the Balance Sheet (Refer Note 19A and 19B)	**40.43**	*165.31*	**215.59**	*240.60*
Recognised under:				
Non - current provision (Refer Note 19A)	**-**	*63.28*	**182.58**	*207.29*
Current provision (Refer Note 19B)	**40.43**	*102.03*	**33.01**	*33.31*

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded) *		Others (Post Retirement medical and non compete fees) (Non funded) #	
	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Current Service Cost	**42.56**	*18.62*	**-**	*-*
Net interest	**10.85**	*8.65*	**16.54**	*19.02*
Total Expenses recognised in the Statement of Profit and Loss	**53.41**	*27.27*	**16.54**	*19.02*

* Included in Contribution to Provident and Other Funds (Refer Note 29)
# included in Salaries and Wages (Refer Note 29)

E. Expenses Recognized in the Other Comprehensive Income (OCI) for the Year

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	31st Mar., 2023	*31st Mar., 2022*	31st Mar., 2023	*31st Mar., 2022*
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in financial assumptions	**(12.40)**	*(11.53)*	**(5.59)**	*(4.04)*
Actuarial (Gains)/Losses on Obligation for the Year - Due to experience adjustment	**46.26**	*34.34*	**5.08**	*(37.64)*
Return on Plan Assets, excluding Interest Income	**(16.55)**	*(2.55)*	**-**	*-*
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in demographic assumptions	**7.39**	*(0.18)*	**(9.89)**	*-*
Net (Income)/Expense For the year Recognized in OCI	**24.70**	*20.08*	**(10.40)**	*(41.68)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

F. Principal actuarial assumptions used:

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2023	*As at 31st Mar., 2022*	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Discount Rate (per annum)	**7.31%**	*6.70%*	**7.49% & 7.46%**	*7.33% & 6.84%*
Salary escalation rate	**4.50%**	*4.50%*	**0.00%**	*0.00%*
Rate of employee turnover	**17.24%**	*11.89%*	**20.87%**	*0.00%*

G. Movements in the present value of net defined benefit obligation are as follows:

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2023	*As at 31st Mar., 2022*	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Opening Net Liability	**165.31**	*159.96*	**240.60**	*301.70*
Expenses Recognized in Statement of Profit or Loss	**53.41**	*27.27*	**16.54**	*19.02*
Expenses Recognized in OCI	**24.70**	*20.08*	**(10.40)**	*(41.68)*
Benefit Paid Directly by the Employer	**-**	*-*	**(31.15)**	*(38.44)*
Employer's Contribution	**(203.00)**	*(42.00)*	**-**	*-*
Net Liability Recognized in the Balance Sheet	**40.42**	*165.31*	**215.60**	*240.60*

H. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Government of India Assets (Central and State)		
Insurance fund	706.02	*579.82*
Total	**706.02**	*579.82*

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory Development Authority Regulations.

I. Other Details

₹ in Lakhs

Particulars	Gratuity		Others (Post Retirement medical and non compete fees)	
	As at 31st Mar., 2023	*As at 31st Mar., 2022*	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Number of Active Members	**511**	*562*	**-**	*-*
Per Month Salary for Active Members (₹ in Lakhs)	**96.87**	*98.70*	**-**	*-*
Weighted Average Duration of the Projected Benefit Obligation	**4**	*5*	**-**	*-*
Average Expected Future Service (Years)	**4**	*6*	**-**	*-*
Projected Benefit Obligation (PBO) (₹ in Lakhs)	**746.44**	*745.13*	**215.59**	*240.60*
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	**96.87**	*98.70*	**-**	*-*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

J. Cash Flow Projection: From the Fund

₹ in Lakhs

Projected Benefits Payable in Future Years From the Date of Reporting	Estimated for the Year ended 31st Mar., 2023	*Estimated for the Year ended 31st Mar., 2022*	Estimated for the Year ended 31st Mar., 2023	*Estimated for the Year ended 31st Mar., 2022*
	Gratuity		Other Post Employment Benefits	
1st Following Year	**213.31**	*140.43*	**33.01**	*33.31*
2nd Following Year	**138.21**	*122.16*	**33.01**	*33.31*
3rd Following Year	**118.68**	*144.45*	**33.01**	*33.31*
4th Following Year	**132.87**	*90.86*	**33.01**	*33.31*
5th Following Year	**74.56**	*92.60*	**33.01**	*33.31*
Sum of Years 6 To 10	**160.69**	*231.18*	**165.07**	*166.57*
Sum of Years 11 and above	**81.49**	*162.15*	**-**	*-*

K. Sensitivity Analysis

₹ in Lakhs

	As at 31st Mar., 2023	*As at 31st Mar., 2022*
	Gratuity	
Impact of +1% Change in Rate of Discounting	**(17.52)**	*(24.65)*
Impact of -1% Change in Rate of Discounting	**18.76**	*26.87*
Impact of +1% Change in Rate of Salary Increase	**19.10**	*25.56*
Impact of -1% Change in Rate of Salary Increase	**(18.15)**	*(24.44)*
Impact of +1% Change in Rate of Employee Turnover	**1.44**	*2.39*
Impact of -1% Change in Rate of Employee Turnover	**(1.58)**	*(2.65)*

The above sensitivity analysis are based on change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

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

L. Provident Fund

The Company has established ‘Forbes & Company Ltd. Employees Provident Fund’ in respect of all the employees to which both the employee and employer make contribution equal to 12% of the employees’ basic salary respectively. The Company’s contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Lakhs

Particulars	Year ended 31st Mar., 2023	*Year ended 31st Mar., 2022*
Company's contribution to the provident fund	**100.91**	*89.41*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*
Approach used	**Deterministic**	*Deterministic*
Increase in compensation levels	**4.50%**	*4.50%*
Discount Rate	**7.31%**	*6.70%*
Attrition Rate	**17.24%**	*11.89%*
Reinvestment Period on Maturity	**5 years**	*5 years*
Expected Guaranteed Interest Rate	**8.15%**	*8.10%*
Average Expected Future Service	**4 years**	*6 years*
Average Term to Maturity	**4 years**	*4 years*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

Particulars	**Year ended 31st Mar., 2023**	*Year ended 31st Mar., 2022*
Plan assets as year end, at fair value	**3,777.31**	*3,589.90*
Present value of benefit obligation at year end	**3,554.00**	*3,374.11*

M. The liability for Compensated absences (Non – Funded) as at year end is ₹ Nil (Previous year ₹ 301.62 Lakhs) (Refer Note 19B).

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The Company makes provision for compensated absences based on an actuarial valuation carried out at the end of the year using the Projected Unit Credit method. Leave obligations not expected to be settled in the next 12 months is ₹ Nil (Previous year ₹ 244.33 Lakhs).

36. Financial Instruments

36.1 Capital Management

The Company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 17, 18B and 22 offset by cash and bank balances) and total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:

₹ in Lakhs

	31st Mar., 2023	*31st Mar., 2022*
Total Equity	**20,685.17**	*3,902.20*
Short Term Borrowings	**-**	*2,343.24*
Long Term Borrowings	**1,012.95**	*5,548.20*
Current Maturities of Long Term Borrowings	**252.17**	*2,277.32*
Lease Liabilities	**539.55**	*26.18*
Total Debt	**1,804.67**	*10,194.94*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ in Lakhs

	31st Mar., 2023	31st Mar., 2022
Cash and Cash equivalents	**3,625.93**	*611.08*
Bank balances other than above	**1,812.38**	*289.21*
Balance held as margin money with banks with remaining maturity period of more than 12 months	**-**	*1.98*
Net Debt	**(3,633.63)**	*9,292.67*
Debt Equity ratio	**0.09**	*2.61*
Debt Equity Ratio = Total Debt / Total Equity		

36.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios	**Numerator**	**Denominator**	**31st Mar., 2023**	*31st Mar., 2022*	**Variation (%)**	**Reason for variance**
Current Ratio	Current assets	Current liabilities	**1.00**	*0.75*	33%	Inventory & Investment in mutual fund has increased & liability has reduced in current year mainly in creditors & provision.
Debt-Equity Ratio	Total debt	Total equity	**9%**	*261%*	-97%	During year debt has reduced significantly & Earnings has increased on account of sale of land.
Debt Service Coverage Ratio	Earning for debt	Debt service	**4.28**	*61.12*	-93%	Last year earnings has increased significantly on account of exceptional items (Refer Note 53)
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	**205%**	*3949%*	-95%	Major variation in profit after tax on account of merger-demerger in the last year. Current year earning increased on account of sale of land.
Inventory turnover ratio	COGS	Average inventory	**2.39**	*2.14*	12%	Major variation is on account of product mix in current year as compared with last year.
Trade Receivables turnover ratio	Credit sales	Average trade receivable	**8.17**	*7.13*	15%	This is increased mainly on account of increased in sales of Engg division during year & reduced account receivable balance.
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	**2.05**	*1.84*	12%	During the last year, purchases were higher to maintain the minimum inventory level. Current year trade payable has reduced significantly.
Net capital turnover ratio	Credit sales	working capital	**-450.93**	*-2.65*	16926%	Major variance due to improved working capital i.e. Inventory & Investment in mutual fund have increased & liability has reduced in current yeare mainly in creditors & provision.
Net profit ratio	Net profit after tax	Revenue from operations	**102%**	*1758%*	-94%	Major variation in profit after tax on account of merger-demerger in the last year. Current year earning increased on account of sale of land.
Return on Capital employed	Earnings before interest and tax	capital employed	**104%**	*24%*	326%	Earnings before interest and tax increased on account of sale of land.
Return on investment	Income generated from invested funds	Average invested funds in treasury investment	**9%**	*23%*	-61%	Earnings before interest and tax decreased due to mutual fund.

36.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 36.6) and interest rates (Refer Note 36.7). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk.

36.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Investments in subsidiaries, associates and joint ventures

The Company had invested in various subsidiaries, associates and joint ventures. The approved future business plans and cash flow projections of these entities are evaluated by the management of the Company on an ongoing basis and based on this evaluation the recoverability of the investments is considered to be good. (Also refer Note 8)

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to the financial guarantees by way of Corporate Guarantee/ Fixed Deposit as a security given to banks on behalf of subsidiaries by the Company. The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on is ₹ 69.33 Lakhs as at 31st March, 2023 *(Previous year as at 31st March, 2022 is ₹ 2,784.10 Lakhs)*. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

36.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company has the following undrawn credit lines available as at the end of the reporting period.

₹ in Lakhs

	31st Mar., 2023	*31st Mar., 2022*
- Expiring within one year	1,050.00	*737.43*
- Expiring beyond one year	-	-
	1,050.00	*737.43*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	31st Mar., 2023			
	Upto 1 year	1 to 3 years	3 to 5 years	5 years & above
Borrowings (includes interest)	312.44	1,037.05	121.80	-
Trade Payables	3,790.20	-	-	-
Other Financial Liabilities	1,269.21	254.49	-	-
Lease liability	11.94	6.47	2.54	9.86
	5,383.79	**1,298.01**	**124.34**	**9.86**

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	*31st Mar., 2022*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Borrowings (includes interest)	*5,236.06*	*4,008.08*	*1,985.17*	*478.90*
Trade Payables	*4,730.77*	-	-	-
Other Financial Liabilities	*4,520.83*	*139.50*	-	-
Lease liability	*8.93*	*9.17*	*3.49*	*16.87*
	14,496.59	*4,156.75*	*1,988.66*	*495.77*

36.6 <u>Derivatives Instruments and unhedged Foreign Currency (FC) exposure</u>

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Particulars of unhedged foreign currency exposures as at the reporting date

Currencies	As at 31st Mar., 2023						*As at 31st Mar., 2022*					
	Advances from customers		Loans and advances to related party		Trade receivables		*Advances from customers*		*Loans and advances to related party*		*Trade receivables*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.20**	**16.42**	**-**	**-**	**4.34**	**356.95**	*0.35*	*26.83*	-	-	*6.35*	*480.06*
GBP	**-**	**0.04**	**-**	**-**	**0.78**	**79.53**	-	-	-	-	*0.61*	*60.73*
CHF	**-**	**-**	**564.68**	**50,728.19**	**-**	**-**	-	-	*564.68*	*46,220.38*	-	-
EUR	**0.01**	**0.71**	**40.39**	**3,610.28**	**-**	**-**	*0.00*	*0.23*	*4.32*	*362.94*	*36.07*	*3,030.39*

Currencies	As at 31st Mar., 2023				*As at 31st Mar., 2022*			
	Advances to vendors		Trade payables		*Advances to vendors*		*Trade payables*	
	FC in Lakhs	₹ In Lakhs	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.03**	**2.47**	**1.01**	**83.08**	*0.31*	*23.73*	*3.71*	*280.50*
EUR	**0.05**	**4.47**	**2.52**	**224.98**	*0.02*	*2.01*	*4.15*	*348.88*
CHF	**-**	**-**	**0.03**	**2.47**	-	-	-	-
AUD	**-**	**-**	**-**	**-**	-	-	*2.04*	*115.59*
AED	**-**	**-**	**0.03**	**0.67**	-	-	*0.29*	*6.03*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Currencies	As at 31st Mar., 2023		*As at 31st Mar., 2023*	
	Current Account Balances		*Current Account Balances*	
	FC in Lakhs	₹ In Lakhs	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.30**	**24.80**	*0.81*	*60.95*
EUR	**-**	**-**	*0.01*	*0.70*

Of the above, the Company is mainly exposed to USD, and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

(b) Sensitivity

As at 31st Mar., 2023

₹ in Lakhs

Currencies	Increase/ Decrease	Total Assets in FC	Total Liabilities in FC	Impact on exchange rate	Impact on Profit or Loss for the year
USD	Increase by 5%	4.67	1.21	4.11	14.22
USD	Decrease by 5%	4.67	1.21	(4.11)	(14.22)
GBP	Increase by 5%	0.78	-	5.08	3.96
GBP	Decrease by 5%	0.78	-	(5.08)	(3.96)
AUD	Increase by 5%	-	-	2.75	-
AUD	Decrease by 5%	-	-	(2.75)	-
AED	Increase by 5%	-	0.03	1.12	(0.03)
AED	Decrease by 5%	-	0.03	(1.12)	0.03
EUR	Increase by 5%	40.44	2.52	4.47	169.50
EUR	Decrease by 5%	40.44	2.52	(4.47)	(169.50)
CHF	Increase by 5%	564.68	0.03	4.49	2,535.28
CHF	Decrease by 5%	564.68	0.03	(4.49)	(2,535.28)

As at 31st Mar., 2022

₹ in Lakhs

Currencies	*"Increase/ Decrease"*	*"Total Assets in FC"*	*Total Liabilities in FC*	*Impact on exchange rate*	*Impact on Profit or Loss for the year*
USD	*Increase by 5%*	*7.47*	*4.06*	*3.78*	*12.89*
USD	*Decrease by 5%*	*7.47*	*4.06*	*(3.78)*	*(12.89)*
GBP	*Increase by 5%*	*0.61*	*-*	*4.96*	*3.03*
GBP	*Decrease by 5%*	*0.61*	*-*	*(4.96)*	*(3.03)*
AUD	*Increase by 5%*	*-*	*2.04*	*2.83*	*(5.78)*
AUD	*Decrease by 5%*	*-*	*2.04*	*(2.83)*	*5.78*
AED	*Increase by 5%*	*-*	*0.29*	*1.03*	*(0.30)*
AED	*Decrease by 5%*	*-*	*0.29*	*(1.03)*	*0.30*
EUR	*Increase by 5%*	*40.42*	*4.15*	*4.20*	*152.33*
EUR	*Decrease by 5%*	*40.42*	*4.15*	*(4.20)*	*(152.33)*
CHF	*Increase by 5%*	*564.68*	*-*	*4.09*	*2,309.54*
CHF	*Decrease by 5%*	*564.68*	*-*	*(4.09)*	*(2,309.54)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

36.7 Interest rate risk

Interest rate risk results from changes in prevailing market interest rates, which can cause a change in the fair value of fixed-rate instruments and changes in the interest payments of the variable-rate instruments.

(a) Interest rate risk exposure

The exposure of Company's borrowing to interest rate changes at the end of the year are as follows:

Particulars	**As at 31st Mar., 2023**			*As at 31st Mar., 2022*		
	Weighted average interest rates	**% of total loans**	**Total Borrowings**	*Weighted average interest rates*	*% of total loans*	*Total Borrowings*
Term Loans from Banks	**9.25%**	**100%**	**1,256.20**	*9.43%*	*77%*	*7,825.52*
Cash Credit Facilities	**0.00%**	**0%**	**-**	*12.27%*	*21%*	*2,095.65*
Credit card Facilities	**0.00%**	**0%**	**-**	*9.45%*	*2%*	*247.59*
Total			**1,256.20**			*10,168.76*

(b) Sensitivity

The sensitivity of profit / (loss) to changes in interest rates/exchange rates:

Particulars	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Rates increase by 100 basis points*	***12.56***	*99.21*
Rates decrease by 100 basis points*	***(12.56)***	*(99.21)*

* Holding all other variables constant.

36.8 Fair Value Disclosures

a) Categories of Financial Instruments:

₹ in Lakhs

	31st Mar., 2023			*31st Mar., 2022*		
	FVTPL	**FVTOCI**	**Amortised Cost**	*FVTPL*	*FVTOCI*	*Amortised Cost*
Financial Assets						
Investments *	**5,120.58**	**-**	**-**	*0.18*	*-*	*-*
Loans	**-**	**-**	**10.61**	*-*	*-*	*0.83*
Cash and Bank Balances	**-**	**-**	**5,438.31**	*-*	*-*	*900.29*
Trade Receivables	**-**	**-**	**2,923.88**	*-*	*-*	*3,144.30*
Other Financial Assets	**-**	**-**	**367.98**	*-*	*-*	*241.75*
	5,120.58	**-**	**8,740.78**	*0.18*	*-*	*4,287.17*
Financial liabilities						
Borrowings	**-**	**-**	**1,256.20**	*-*	*-*	*10,168.76*
Trade Payables	**-**	**-**	**3,790.20**	*-*	*-*	*4,730.77*
Other Financial Liabilities	**-**	**-**	**1,532.62**	*-*	*-*	*4,669.23*
Lease liability	**-**	**-**	**539.55**	*-*	*-*	*26.18*
	-	**-**	**7,118.57**	*-*	*-*	*19,594.94*

* Excludes investments in equity instruments of ₹ 3,915.75 Lakhs *(Previous year ₹ 3,660.74 Lakhs)* carried at cost less impairment.

b) Fair Value Hierarchy and Method of Valuation

Except as detailed in the following table, the Company considers that the carrying amounts of financial instruments recognised in the financial statements approximate their fair values.

₹ in Lakhs

Financial Assets	31st Mar., 2023				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at Fair Value through OCI					
Investments					
Investments in Equity Instruments	5,120.40	5,120.40	-	-	5,120.40
Measured at FVTPL					
Investments					
Investments in Equity Instruments	0.18	-	-	0.18	0.18

₹ in Lakhs

Financial Assets	*31st Mar., 2022*				
	Carrying Value	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL					
Investments					
Investments in Equity Instruments	*0.18*	-	-	*0.18*	*0.18*
Investments in debentures	-	-	-	-	-

There is one transfer between level 3 to 1 during the year.

c) Fair value measurements using significant unobservable inputs

The following table presents the changes in level 1 items for the years ended 31st March, 2023.

₹ in Lakhs

	Equity Instruments	**Optionally Convertible Debentures**	**Total**
As at 31st Mar., 2022	**0.18**	**-**	**0.18**
Additions during the year	-	-	-
Fair value Gains / Losses recognised in profit or loss	5,120.40	-	5,120.40
Issue / (Redemption) during the year	-	-	-
As at 31st Mar., 2023	**5,120.58**	**-**	**5,120.58**

₹ in Lakhs

	Equity Instruments	*Optionally Convertible Debentures*	*Total*
As at 31st Mar., 2021	*0.68*	*496.13*	*496.81*
Additions during the year	-	-	-
Fair value Gains / Losses recognised in profit or loss	*(0.50)*	-	*(0.50)*
Issue / (Redemption) during the year	-	*-496.13*	*(496.13)*
As at 31st Mar., 2022	*0.18*	-	*0.18*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

d) Valuation Process

The Company engages external valuation consultants to fair value financial instruments measured at FVTPL. The main level 3 inputs used for unlisted equity securities, preference shares and debentures are as follows:

The current market borrowing rates of the Company are compared with relevant market matrices as at the reporting dates to arrive at the discounting rates.

e) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Company consider that the carrying amounts of financial assets and financial liabilities recognised in Note (a) above approximate their fair values.

37. Operating lease arrangements

37.1 (i) The Company as lessor

The Company has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 1,555.34 Lakhs *(Previous year ₹ 1,382.56 Lakhs)* has been disclosed as "Rent and amenities" under Revenue from operations in Note 25 to the Statement of Profit and Loss.

37.1 (ii) Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Not later than 1 year	**472.77**	*616.23*
Later than 1 year and not later than 5 years	**474.25**	*323.47*
Total	**947.02**	*939.70*

38. Commitments

a)

Particulars	**As at 31st Mar., 2023**	*As at 31st Mar., 2022*
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹ 221.74 Lakhs; *(Previous year ₹33.11 Lakhs)*	**317.59**	*147.60*
Total	**317.59**	*147.60*

b) Other Commitments

The Company has outstanding bank guarantees of ₹ 156.36 Lakhs *(Previous Year ₹ 115.93 Lakhs)*.

The Company has outstanding performance guarantees of ₹ 211.56 Lakhs *(Previous Year ₹ 222.86 Lakhs)*.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

39. Contingencies and other commitments

(To the extent not provided for)

₹ in Lakhs

Particulars	As at 31st Mar., 2023	*As at 31st Mar., 2022*
(a) Claims against the Company not acknowledged as debts		
1 Taxes in dispute:-		
i) *Excise demand [Advance paid against the demand Nil; (Previous year Nil)]*	**2,724.52**	*2,724.52*
ii) *Sales tax [Advance paid against the demand ₹ 55.06 Lakhs; (Previous year ₹ 55.06 Lakhs)]*	**400.12**	*498.44*
iii) Income-tax [Advance paid against the demand ₹ 83.70 Lakhs; *(Previous year ₹ 83.70 Lakhs)]*	**4,329.14**	*4,333.81*
iv) *Service-tax (Advance paid ₹ 92.25 Lakhs) (Previous year ₹ 92.25 Lakhs)*	**3,424.49**	*3,424.49*
v) *Customs duty [Advance paid ₹ Nil; (Previous year ₹ Nil)]*	**187.84**	*101.00*
2 Labour matters in dispute	**-**	*11.07*
3 Customer claims	**3,070.31**	*3,107.97*
4 Other legal matters	**232.21**	*232.21*
(b) Other commitments :-		
i) Guarantee on behalf of related parties (Secured by exclusive charge on certain investment properties) *	**69.33**	*2,784.00*

Note:

1. In respect of the above mentioned items, till the matters are finally decided, the timings of outflow of economic benefits cannot be ascertained.

   * Excludes guarantees of ₹ Nil *(Previous Year ₹ 6,190.61 Lakhs)* which were taken against loans that have been repaid during the year.

2. The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir and Others v/s The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated 20th March, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

40. Related Party Disclosures

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

Nature of Relationship	Name of Entity
A Holding Company	Shapoorji Pallonji and Company Private Limited
B Subsidiaries - Direct	Forbes Campbell Finance Limited
	Forbes Technosys Limited *
	Campbell Properties & Hospitality Services Limited
	Volkart Fleming Shipping and Services Limited
	Forbes Lux International AG
	EFL Mauritius Limited
	Forbes Precision Tools and Machine Parts Limited (w.e.f. 30th August, 2022)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

	Nature of Relationship	Name of Entity	
B	Subsidiaries - Indirect	Lux International AG Lux del Paraguay S.A. Lux Welity Polska sp.zo.o. Lux Schweiz AG Lux International Services & Logistics GmbH (Formerly Lux Service GmbH) Lux Oesterreich GmbH Lux Hungaria Kereskedelmi Kft Lux Professional SA (formerly Lux Aqua Paraguay SA) Forbes Campbell Services Limited (upto 29th September, 2022) Forbes Edumetry Limited (Under liquidation) Forbes Facility Services Private Limited (FFSPL) (up to July 1, 2022)	
C	Fellow Subsidiaries (where there are transactions/ balances)	Forvol International Services Limited Gokak Textiles Limited Shapoorji Pallonji Oil and Gas Private Limited Sterling and Wilson Private Limited SP Fabricators Private Limited United Motors (India) Private Limited Shapoorji Pallonji Infrastructure Capital Company Limited Paikar Real Estates Private Limited	
D	Associates - Direct	Nuevo Consultancy Service Limited Shapoorji Pallonji Forbes Shipping Limited (w.e.f 1st March, 2022)	
D	Associates - Indirect	Dhan Gaming Solutions (India) Private Limited	
E	Joint Ventures - Direct	Forbes Concept Hospitality Services Private Limited (Refer note 53) Forbes Macsa Private Limited	
E	Joint Ventures - Indirect	Forbes Bumi Armada Limited (Subsidiary of Forbes Campbell Finance Ltd.)	
F	Key Management Personnel ("KMP")	M.C. Tahilyani	Managing Director
		Non Executive Directors	
		Shapoor P.Mistry	Chairman
		Jai L. Mavani	Non-Executive Director
		D. Sivanandhan	Independent Director
		Rani Jadhav	Independent Director
		Nikhil Bhatia	Independent Director
G	Post employment benefit plan	Forbes & Company Limited Employees Provident Fund	
H	Companies forming a part of the composite scheme of arrangement (Refer Note 53) (where there are transactions/ balances)	Eureka Forbes Limited (Refer note 53)	

The Company has provided letter of support to this subsidiary to finance when it is necessary to do so, subject to approval of the Board of Directors

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)

Current Year

b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables and Capital Creditors*	335.38	32.62	16.73	450.46	-	-	**835.18**
2	Interest accrued on investment / loan	-	7,848.81	-	-	-	-	**7,848.81**
3	Trade Receivables*	1.58	3,325.23	94.37	10.70	-	-	**3,431.88**
4	Advance for Supply of Goods and Services and Prepaid Exps.	31.25	14,518.59	-	-	-	-	**14,549.84**
5	Contractually reimbursable expenses	-	248.29	221.01	-	-	-	**469.30**
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	61,265.60	-	-	18.19	-	**61,283.79**
7	Deposits Payable	-	-	49.25	-	-	-	**49.25**
8	Deposits Receivable*	-	35,324.74	-	-	18.19	-	**35,342.93**
	Transactions							
	Purchases / Services							
9	Real estate development expenses	2,049.84	-	-	646.03	-	-	**2,695.87**
	Sales / Services							
10	Fixed Assets / Investments /Business	-	-	-	-	2.28	-	**2.28**
	Expenses							
11	Rent	-	7.20	-	-	-	-	**7.20**
12	Travelling and conveyance expenses	-	10.45	90.96	-	-	-	**101.41**
13	Legal and professional charges	93.01	-	-	-	-	-	**93.01**
14	Repairs and Maintenance	100.49	-	4.17	-	-	-	**104.65**
15	Selling expenses, commission and brokerage	-	-	139.10	110.50	-	-	**249.60**
16	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon /Capital reduction	-	401.00	-	-	-	-	**401.00**
17	Provision for doubtful loans and advances / Trade receivable	-	21.05	-	-	18.19	-	**39.24**
18	Trade receivables / advances written off / Loss on Capital reduction	-	13,167.00	-	-	-	-	**13,167.00**
19	Remuneration	-	-	-	-	-	318.63	**318.63**
20	Miscellaneous expenses and security expenses	-	23.31	-	-	-	-	**23.31**
21	Dividend paid	6,083.54	108.16	-	-	-	-	**6,191.70**
	Income							
22	Rent and amenities	11.07	18.80	114.91	-	5.48	-	**150.26**
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	2.35	-	-	1.01	-	**3.36**
24	Consideration for share cancelled/ extinguished	-	1.32	-	-	-	-	**1.32**
25	Guarantee Commission	-	0.24	-	-	-	-	**0.24**
26	Reversal of Prov. for dim. In value of investments	-	13,167.00	-	-	-	-	**13,167.00**
27	Miscellaneous Income	-	7.35	-	-	-	-	**7.35**
	Other Receipts / Payments							
28	Other Reimbursements (Receipt)	-	5.20	75.85	-	2.68	-	**83.74**
29	Other Reimbursements (Payment)	-	1.90	129.89	65.48	-	-	**197.27**
	Finance							
30	Deposit Given	-	3,835.00	-	-	-	-	**3,835.00**
31	Repayment of Deposits Given	-	650.00	-	-	-	-	**650.00**
32	Purchase / Subscriptions to Investments	-	5.00	-	-	-	-	**5.00**
33	Share Application Money Paid	-	-	-	-	250.00	-	**250.00**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

* d) 6% Non- Cumulative Non- Convertible Redeemable Pref. Shares Qty 132600 of INR 10 each in Forbes Technosys Ltd. are fully provided.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B	B	C
		Shapoorji Pallonji and Company Private Ltd.	EFL Mauritius Ltd.	Forbes Facility Services Private Ltd.	Forbes Lux International AG	Lux International AG	Forbes Campbell Finance Ltd.	Forbes Technosys Ltd.**	Shapoorji Pallonji Forbes Shipping Limited	Campbell Properties & Hospitality Services Ltd.	Forbes Precesion Tools & Machine Parts Limited	Volkart Fleming Shipping & Services Ltd.	Afcons Infrastructure Ltd.*
	Balances												
1	Trade Payables and Capital Creditors	335.38	-	-	-	***	-	-	-	***	-	-	-
2	Interest accrued on investment / loan	-	-	-	7,722.03	-	-	***	-	-	-	-	-
3	Trade Receivables	***	-	-	-	3,223.84	-	***	-	-	-	-	***
4	Advance for Supply of Goods and Services and Prepaid Exps.	***	***	-	14,132.15	-	-	-	-	-	-	-	-
5	Contratually reimbursable expenses	-	-	-	-	-	-	248.23	-	-	***	-	-
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	***	-	50,728.19	***	-	6,927.13	-	-	-	-	-
7	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-
8	Deposits Receivable	-	-	-	28,874.01	-	-	6,450.73	-	-	-	-	-
	Transactions												
	Purchases / Services												
9	Real estate development expenses	2,049.84	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services												
10	Fixed Assets / Investments /Business	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses												
11	Rent	-	-	-	-	-	7.20	-	-	-	-	-	-
12	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	10.45	-	-	-
13	Legal and professional charges	93.01	-	-	-	-	-	-	-	-	-	-	-
14	Repairs and Maintenance	100.49	-	-	-	-	-	-	-	-	-	-	-
15	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-
16	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	401.00	-	-	-	-	-
17	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	21.05	-	-	-	-	-
18	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	13,167.00	-	-	-	-	-
19	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
20	Miscellaneous expenses and security expenses	-	-	7.77	-	-	-	15.54	-	-	-	-	-
21	Dividend paid	6,083.54	-	-	-	-	***	-	-	-	-	-	-
	Income												
22	Rent and amenities	***	-	-	-	-	-	***	***	-	-	-	-
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	2.35	-	-	-	-	-	-
24	Consideration for share cancelled/ extinguished	-	-	-	-	-	-	1.32	-	-	-	-	-
25	Guarantee Commission	-	-	-	-	-	-	0.24	-	-	-	-	-
26	Reversal of Prov. for dem. In value of investments	-	-	-	-	-	-	13,167.00	-	-	-	-	-
27	Miscellaneous Income	-	-	-	-	-	***	6.00	1.35	-	-	***	-
	Other Receipts / Payments												
28	Other Reimbursements (Receipt)	-	-	-	-	-	-	***	-	-	-	***	-
29	Other Reimbursements (Payment)	-	-	-	-	-	-	***	***	-	***	-	-
	Finance												
30	Deposit Given	-	-	-	-	-	650.00	3,185.00	-	-	-	-	-
31	Repayment of Deposits Given	-	-	-	-	-	650.00	-	-	-	-	-	-
32	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	5.00	-	-
33	Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	-

40. Related party disclosures (contd.)
Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		C	C	C	C	C	C	C	C	C	C	C	C
		Forvol International Services Ltd.	Gokak Textiles Ltd.	Gossip Properties Pvt Ltd*	Next Gen Publishing Ltd.*	Paikar Real Estates Pvt. Ltd.	Relationship Properties Private Ltd*	Shapoorji Pallonji Infrastructure Capital Co. Pvt. Ltd.	Shapoorji Pallonji Energy Pvt. Ltd.	Sterling And Wilson Renewable Energy Ltd.	United Motors (India) Private Ltd.	HPCL Shapoorji Energy Private Ltd.*	Coventry Properties Pvt Ltd.*
	Balances												
1	Trade Payables and Capital Creditors	***	-	-	-	***	-	-	-	-	-	-	-
2	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-	-	-
3	Trade Receivables	-	-	***	***	-	***	***	-	-	-	***	***
4	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-	-	-
5	Contratually reimbursable expenses	-	***	-	-	214.22	-	-	-	-	-	-	-
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	-	-	-	-
7	Deposits Payable	-	-	-	-	-	-	***	48.25	-	-	-	-
8	Deposits Receivable	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions												
	Purchases / Services												
9	Real estate development expenses	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services												
10	Fixed Assets / Investments /Business	-	-	-	-	-	-	-	-	-	-	-	-
	Expenses												
11	Rent	-	-	-	-	-	-	-	-	-	-	-	-
12	Travelling and conveyance expenses	90.96	-	-	-	-	-	-	-	-	-	-	-
13	Legal and professional charges	-	-	-	-	-	-	-	-	-	-	-	-
14	Repairs and Maintenance	-	-	-	-	-	-	-	-	***	-	-	-
15	Selling expenses, commission and brokerage	139.10	-	-	-	-	-	-	-	-	-	-	-
16	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-	-	-	-
17	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	-	-	-	-
18	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-	-	-
19	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-
20	Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-	-	-	-
21	Dividend paid	-	-	-	-	-	-	-	-	-	-	-	-
	Income												
22	Rent and amenities	***	-	-	-	-	-	***	110.98	-	-	-	-
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	-	-	-	-
24	Consideration for share cancelled/ extinguished	-	-	-	-	-	-	-	-	-	-	-	-
25	Guarantee Commission	-	-	-	-	-	-	-	-	-	-	-	-
26	Reversal of Prov. for dem. In value of investments	-	-	-	-	-	-	-	-	-	-	-	-
27	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments												
28	Other Reimbursements (Receipt)	***	-	-	-	72.68	-	-	-	-	***	-	-
29	Other Reimbursements (Payment)	-	-	-	-	129.89	-	-	-	-	-	-	-
	Finance												
30	Deposit Given	-	-	-	-	-	-	-	-	-	-	-	-
31	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-
32	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-	-	-
33	Share Application Money Paid	-	-	-	-	-	-	-	-	-	-	-	-

40. Related party disclosures (contd.)

Current Year

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		C	C	C	C	C	C	D	E	E	F
		S D corporation Pvt Ltd.*	**Sd SVP Nagar Redevlopment Pvt Ltd.***	**Shapoorji Pallonji Development Manager Pvt. Ltd.**	**Shapoorji Pallonji Infrastructure Pvt Ltd.***	**Shapoorji Pallonji Real estate Pvt Ltd.***	**Stone Steel Prefab***	**Neuvo Consultancy Service Ltd.**	**Forbes Macsa Pvt Ltd (Joint Venture)**	**Forbes Concept Hospitality Services Private Ltd**	**Managing Director, Mr. M.C. Tahilyani**
	Balances										
1	Trade Payables and Capital Creditors	-	-	-	-	-	-	450.46	-	-	-
2	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-
3	Trade Receivables	***	***	***	***	***	***	***	-	-	-
4	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-
5	Contratually reimbursable expenses	-	-	-	-	-	-	-	-	-	-
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	-	-	-	***	-
7	Deposits Payable	-	-	-	-	-	-	-	-	-	-
8	Deposits Receivable	-	-	-	-	-	-	-	-	***	-
	Transactions										
	Purchases / Services										
9	Real estate development expenses	-	-	-	-	-	-	646.03	-	-	-
	Sales / Services										
10	Fixed Assets / Investments /Business	-	-	-	-	-	-	-	2.28	-	-
	Expenses										
11	Rent	-	-	-	-	-	-	-	-	-	-
12	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
13	Legal and professional charges	-	-	-	-	-	-	-	-	-	-
14	Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
15	Selling expenses, commission and brokerage	-	-	-	-	-	-	110.50	-	-	-
16	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	-	-	-	-	-
17	Provision for doubtful loans and advances / Trade receivable	-	-	-	-	-	-	-	-	18.19	-
18	Trade receivables / advances written off / Loss on Capital reduction	-	-	-	-	-	-	-	-	-	-
19	Remuneration	-	-	-	-	-	-	-	-	-	318.63
20	Miscellaneous expenses and security expenses	-	-	-	-	-	-	-	-	-	-
21	Dividend paid	-	-	-	-	-	-	-	-	-	-
	Income										
22	Rent and amenities	-	-	-	-	-	-	-	***	-	-
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	-	-	-	-	-	1.01	-
24	Consideration for share cancelled/ extinguished	-	-	-	-	-	-	-	-	-	-
25	Guarantee Commission	-	-	-	-	-	-	-	-	-	-
26	Reversal of Prov. for dem. In value of investments	-	-	-	-	-	-	-	-	-	-
27	Miscellaneous Income	-	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments										
28	Other Reimbursements (Receipt)	-	-	-	-	-	-	-	***	-	-
29	Other Reimbursements (Payment)	-	-	-	-	-	-	65.48	-	-	-
	Finance										
30	Deposit Given	-	-	-	-	-	-	-	-	-	-
31	Repayment of Deposits Given	-	-	-	-	-	-	-	-	-	-
32	Purchase / Subscriptions to Investments	-	-	-	-	-	-	-	-	-	-
33	Share Application Money Paid	-	-	-	-	-	-	-	250.00	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

@ Transactions relatd to Merger/ Demerger of EFL.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Parties in F :

Key Managerial Personnel Remuneration

₹ in Lakhs

Particulars	**31st March, 2023**	*31st March, 2022*
Short-term employee benefits	309.00	*361.16*
Post-employment benefits *	8.13	*7.21*
Long-term employee benefits	1.50	*2.75*
	318.63	*371.12*

* The above amounts do not include expenses for gratuity and leave encashment since acturial valuation is carried out at an overall level. Bonus is disclosed on payment basis.

Directors Sitting Fees:

Name	**31st March, 2023**	*31st March, 2022*
D. Sivanandhan	10.00	*10.00*
Shapoor P. Mistry	0.50	*1.50*
Jai L. Mavani	5.00	*5.50*
Rani Jadhav	5.50	*5.00*
Nikhil Bhatia	10.50	*9.50*
Total	**31.50**	*31.50*

Parties in G

Contribution to Post Employment Benefit Plan:

Particulars	**31st March, 2023**	*31st March, 2022*
Forbes & Company Limited Employees Provident Fund	100.91	*89.41*
	100.91	*89.41*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

40. Related party disclosures (contd.)
Previous Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in G above	Parties in H above	Total
	Balances							
1	Trade Payables and Capital Creditors	564.35	13.73	4.57	371.47	-	-	**954.12**
2	Interest accrued on investment / loan	-	7,162.62	-	-	-	-	**7,162.62**
3	Trade Receivables	1.95	3,131.56	2.04	-	-	-	**3,135.55**
4	Advance for Supply of Goods and Services and Prepaid Exps.	29.01	13,239.59	-	-	-	-	**13,268.60**
5	Contractually reimbursable expenses (Gross)	-	241.29	8.03	-	-	65.15	**314.47**
6	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	53,335.14	-	-	-	-	**53,335.14**
7	Deposits Payable	-	30.01	49.25	-	-	-	**79.26**
8	Deposits Receivable	-	29,573.94	-	-	-	-	**29,573.94**
9	Guarantees Given	-	2,784.00	-	-	-	-	**2,784.00**
	Transactions							
	Purchases / Services							
10	Real estate development expenses	2,440.40	-	-	516.27	-	-	**2,956.67**
11	Fixed Assets/ Goods & Materials	-	3.67	-	-	-	-	**3.67**
	Sales / Services							
12	Income from real estate contracts	-	-	-	-	-	-	**-**
	Expenses							
13	Rent	-	7.20	-	-	-	-	**7.20**
14	Travelling and conveyance expenses	-	4.92	33.12	-	-	-	**38.04**
15	Legal and professional charges	106.33	-	-	-	-	-	**106.33**
16	Repairs and Maintenance	90.55	0.08	5.12	-	-	-	**95.75**
17	Selling expenses, commission and brokerage	-	-	-	96.40	-	-	**96.40**
18	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	43,758.03	-	-	-	-	**43,758.03**
19	Remuneration	-	-	-	-	371.12	-	**371.12**
20	Miscellaneous expenses and security expenses	-	54.37	-	-	-	-	**54.37**
	Income							
21	Rent and amenities	3.74	25.65	117.07	-	-	-	**146.46**
22	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	177.21	-	-	-	-	**177.21**
23	Guarantee Commission	-	23.66	-	-	-	-	**23.66**
24	Miscellaneous Income	-	11.40	0.00	-	-	-	**11.40**
	Other Receipts / Payments							
25	Other Reimbursements (Receipt)	-	68.52	88.02	-	-	-	**156.54**
26	Other Reimbursements (Payment)	-	1.29	1.20	139.84	-	-	**142.33**
	Finance							
27	Deposit Given	-	4,748.23	-	-	-	-	**4,748.23**
28	Repayment of Deposits Given	-	15.00	-	-	-	-	**15.00**
29	Purchase / Subscriptions to Investments	-	4,800.00	-	-	-	-	**4,800.00**
30	Redemption of Investment	-	1,726.75	-	-	-	-	**1,726.75**
31	Real estate advances received from customers	-	-	166.31	-	-	-	**166.31**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

d) Parties in B above includes EFL Mauritius Ltd., Forbes Lux International AG and Lux International AG for Transactions related to Merger/ Demerger of EFL.

40. Related party disclosures (contd.)
Previous Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	B	B
		Shapoorji Pallonji and Company Private Ltd.	*Eureka Forbes Ltd.*	*EFL Mauritius Ltd. @*	*Forbes Facility Services Private Ltd.*	*Forbes Lux International AG @*	*Lux International AG @*	*Forbes Campbell Finance Ltd.*	*Forbes Campbell Services Ltd.*	*Forbes Technosys Ltd.*	*Shapoorji Pallonji Forbes Shipping Limited*	*Campbell Properties & Hospitality Services Ltd.*
	Balances											
1	*Trade Payables and Capital Creditors*	564.35	-	-	***	-	-	***	***	-	-	***
2	*Interest accrued on investment / loan*	-	-	-	-	7,035.84	-	-	-	***	-	-
3	*Trade Receivables*	***	-	-	-	-	3,030.39	-	-	***	-	-
4	*Advance for Supply of Goods and Services and Prepaid Exps.*	***	-	***	-	12,876.34	-	-	-	-	-	-
5	*Contractually reimbursable expenses (Gross)*	-	-	-	-	-	-	-	-	241.01	-	-
6	*Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)*	-	-	-	-	46,220.38	-	-	-	-	-	-
7	*Deposits Payable*	-	-	-	-	-	30.01	-	-	-	-	-
8	*Deposits Receivable*	-	-	-	-	26,308.21	-	-	-	3,265.73	-	-
9	*Guarantees Given*	-	-	-	-	-	-	-	-	2,784.00	-	-
	Transactions											
	Purchases / Services											
10	*Real estate development expenses*	2,440.40	-	-	-	-	-	-	-	-	-	-
11	*Fixed Assets/ Goods & Materials*	-	3.67	-	-	-	-	-	-	-	-	-
	Sales / Services											
12	*Income from real estate contracts*	-	-	-	-	-	-	-	-	-	-	-
	Expenses											
13	*Rent*	-	-	-	-	-	-	7.20	-	-	-	-
14	*Travelling and conveyance expenses*	-	-	-	-	-	-	-	-	-	-	4.92
15	*Legal and professional charges*	106.33	-	-	-	-	-	-	-	-	-	-
16	*Repairs and Maintenance*	90.55	***	-	-	-	-	-	-	-	-	-
17	*Selling expenses, commission and brokerage*	-	-	-	-	-	-	-	-	-	-	-
18	*Impairment in Investment in subsidiary Company, Loan and interest accrued thereon*	-	-	***	-	30,207.48	***	-	-	7,517.23	***	-
19	*Remuneration*	-	-	-	-	-	-	-	-	-	-	-
20	*Miscellaneous expenses and security expenses*	-	-	-	26.21	-	-	-	27.78	***	-	-
	Income											
21	*Rent and amenities*	***	-	-	-	-	-	-	-	***	19.65	-
22	*Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit*	-	-	-	-	-	-	27.97	-	18.83	130.40	-
23	*Guarantee Commission*	-	-	-	-	-	-	-	-	21.11	2.55	-
24	*Miscellaneous Income*	-	***	-	-	-	-	***	***	6.00	5.40	-
	Other Receipts / Payments											
25	*Other Reimbursements (Receipt)*	-	60.33	-	-	-	-	***	***	-	***	-
26	*Other Reimbursements (Payment)*	-	-	-	-	-	-	***	-	***	***	***
	Finance											
27	*Deposit Given*	-	-	-	-	-	-	-	-	4,748.23	-	-
28	*Repayment of Deposits Given*	-	-	-	-	-	-	-	-	15.00	-	-
29	*Purchase / Subscriptions to Investments*	-	-	***	-	***	-	-	-	4,800.00	-	-
30	*Redemption of Investment*	-	-	-	-	-	-	1,726.75	-	-	-	-
31	*Real estate advances received from customers*	-	-	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		B	C	C	C	C	C	C	C	C	D	H
		Volkart Fleming Shipping & Services Ltd.	*Forvol International Services Ltd.*	*Gokak Textiles Ltd.*	*Paikar Real Estates Pvt. Ltd.*	*Shapoorji Pallonji Infrastructure Capital Co. Ltd.*	*Shapoorji Pallonji Oil & Gas Private Ltd.*	*SP Fabricators Private Ltd.*	*Sterling and Wilson Solar Ltd.*	*United Motors (India) Ltd.*	*Nuevo Consultancy Service Ltd.*	*Eureka Forbes Ltd.*
	Balances											
1	*Trade Payables and Capital Creditors*	-	***	-	***	-	-	-	-	-	371.47	-
2	*Interest accrued on investment / loan*	-	-	-	-	-	-	-	-	-	-	-
3	*Trade Receivables*	***	-	***	-	***	-	-	-	-	-	-
4	*Advance for Supply of Goods and Services and Prepaid Exps.*	-	-	-	-	-	-	-	-	-	-	-
5	*Contractually reimbursable expenses (Gross)*	***	***	***	***	-	-	-	-	-	-	65.15
6	*Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)*	-	-	-	-	-	-	-	-	-	-	-
7	*Deposits Payable*	-	-	-	-	***	48.25	-	-	-	-	-
8	*Deposits Receivable*	-	-	-	-	-	-	-	-	-	-	-
9	*Guarantees Given*	-	-	-	-	-	-	-	-	-	-	-
	Transactions											
	Purchases / Services											
10	*Real estate development expenses*	-	-	-	-	-	-	-	-	-	516.27	-
11	*Fixed Assets/ Goods & Materials*	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services											
12	*Income from real estate contracts*	-	-	-	-	-	-	-	-	-	-	-
	Expenses											
13	*Rent*	-	-	-	-	-	-	-	-	-	-	-
14	*Travelling and conveyance expenses*	-	33.12	-	-	-	-	-	-	-	-	-
15	*Legal and professional charges*	-	-	-	-	-	-	-	-	-	-	-
16	*Repairs and Maintenance*	-	-	-	-	-	-	***	***	-	-	-
17	*Selling expenses, commission and brokerage*	-	-	-	-	-	-	-	-	-	96.40	-
18	*Impairment in Investment in subsidiary Company, Loan and interest accrued thereon*	-	-	-	-	-	-	-	-	-	-	-
19	*Remuneration*	-	-	-	-	-	-	-	-	-	-	-
20	*Miscellaneous expenses and security expenses*	-	-	-	-	-	-	-	-	-	-	-
	Income											
21	*Rent and amenities*	-	***	-	-	***	110.98	-	-	***	-	-
22	*Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit*	-	-	-	-	-	-	-	-	-	-	-
23	*Guarantee Commission*	-	-	-	-	-	-	-	-	-	-	-
24	*Miscellaneous Income*	***	-	***	-	-	-	-	-	-	-	-
	Other Receipts / Payments											
25	*Other Reimbursements (Receipt)*	***	***	-	87.57	-	-	-	-	-	-	-
26	*Other Reimbursements (Payment)*	-	-	-	***	-	-	-	-	-	139.84	-
	Finance											
27	*Deposit Given*	-	-	-	-	-	-	-	-	-	-	-
28	*Repayment of Deposits Given*	-	-	-	-	-	-	-	-	-	-	-
29	*Purchase / Subscriptions to Investments*	-	-	-	-	-	-	-	-	-	-	-
30	*Redemption of Investment*	-	-	-	-	-	-	-	-	-	-	-
31	*Real estate advances received from customers*	-	-	-	-	-	-	-	-	166.31	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

@ Transactions relatd to Merger/ Demerger of EFL.

41. Segment reporting

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities not identifiable to any specific segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(a) Information about reportable segments for the year:

₹ in Lakhs

Particulars	Engineering		Real Estate		Total		Elimination		Total	
	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022	31st Mar., 2023	31st Mar., 2022
Segment Revenue	**22,987.45**	*20,631.38*	**1,793.41**	*2,873.13*	**24,780.86**	*23,504.51*	-	-	**24,780.86**	*23,504.51*
Inter segment revenue	-	-	**1.58**	*2.11*	**1.58**	*2.11*	**(1.58)**	*(2.11)*	-	-
Revenue from operations	**22,987.45**	*20,631.38*	**1,794.99**	*2,875.24*	**24,782.44**	*23,506.62*	**(1.58)**	*(2.11)*	**24,780.86**	*23,504.51*
Segment Results	**2,459.79**	*2,975.28*	**21,038.78**	*736.25*	**23,498.57**	*3,711.53*	-	-	**23,498.57**	*3,711.53*
Exceptional items allocated to segments	-	-	**(1.49)**	-	**(1.49)**	-	-	-	**(1.49)**	-
Segment Results - (including exceptional items relating to segment)	**2,459.79**	*2,975.28*	**21,037.29**	*736.25*	**23,497.08**	*3,711.53*	-	-	**23,497.08**	*3,711.53*
Add: Unallocated income - Refer Note below									**365.25**	*814.58*
Add/Less: Unallocated expenses									**(1,228.67)**	*(1,146.99)*
Add/Less: Exceptional items other than related to segments (net)									**2,906.88**	*4,10,091.01*
Profit before tax and finance costs									**25,540.54**	*4,13,470.13*
Less: Finance costs									**818.44**	*1,234.64*
Profit before tax									**24,722.10**	*4,12,235.49*
Provision for taxation:										
Current tax expense									**269.66**	-
(Excess) / short provision for tax of earlier years									**51.80**	-
Deferred tax									**541.47**	*(1,058.72)*
Profit after tax									**23,859.17**	*4,13,294.21*
Capital employed										
Segment assets	**15,575.63**	*16,582.49*	**18,823.94**	*15,774.92*					**34,399.57**	*32,357.41*
Unallocated corporate assets									**18,419.99**	*13,387.32*
Total assets									**52,819.56**	*45,744.73*
Segment liabilities	**4,336.66**	*8,315.83*	**26,437.93**	*18,736.98*					**30,774.59**	*27,052.81*
Unallocated corporate liabilities									**1,359.78**	*14,789.72*
Total liabilities									**32,134.37**	*41,842.53*
Capital employed	**11,238.97**	*8,266.66*	**(7,613.99)**	*(2,962.06)*					**20,685.19**	*3,902.20*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**603.76**	*1,299.67*	**14.87**	*22.47*					**618.63**	*1,322.14*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress									-	*2,348.55*
Total capital expenditure (including investment properties)									**618.63**	*3,670.69*
Segment depreciation / amortisation	**1,210.05**	*1,179.54*	**111.85**	*82.68*					**1,321.90**	*1,262.22*
Unallocated corporate depreciation / amortisation									**40.56**	*45.57*
Total depreciation / amortisation									**1,362.46**	*1,307.79*
Non-cash segment expenses other than depreciation	**2.13**	*16.12*	**2.20**	*3.99*					**4.33**	*20.11*
Unallocated non-cash expenses other than depreciation and impairment									**78.22**	*9.48*
Total non-cash expenses other than depreciation and impairment									**82.55**	*29.59*

Note:
Other income allocable to respective segments has been considered as part of Segment Results.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

(b) Information about geographical segment for the year

	Within india		Outside india		Total	
	31st Mar., 2023	*31st Mar., 2022*	**31st Mar., 2023**	*31st Mar., 2022*	**31st Mar., 2023**	*31st Mar., 2022*
Revenue	**22,066.42**	*20,977.39*	**2,714.44**	*2,527.12*	**24,780.86**	*23,504.51*
Total Non-current Assets (excluding Financial Assets, Tax Assets and Post Employment Benefits)	**12,022.73**	*12,088.42*	**-**	*-*	**12,022.73**	*12,088.42*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**618.63**	*3,670.69*	**-**	*-*	**618.63**	*3,670.69*

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2023 and 31st March, 2022.

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

₹ in Lakhs

S. No.	Name		Balance as at 31st Mar., 2023	Maximum amount outstanding during the period	No. of shares of the Company held by the loanees as at 31st Mar., 2023
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:				
1.	Svadeshi Mills Company Limited	★	**4,391.78**	**4,391.78**	-
	(carrying no interest)	★	*4,391.78*	*4,391.78*	-
2.	Edumetry Inc.	★	**72.53**	**72.53**	-
	(carrying no interest)	★	*72.53*	*72.53*	-
3.	Forbes Container Lines Pte. Limited	★	**302.47**	**302.47**	-
	(carrying no interest)	★	*302.47*	*302.47*	-
4.	Forbes Technosys Limited (including interest accrued)	★	**6,577.51**	**6,577.51**	-
	(carrying interest)	★	*3,392.51*	*8,192.51*	-

Note: ★ Provided as doubtful
The above excludes loans to employees.
Figures in italics are in respect of the previous years.

43. Svadeshi Mills is not considered as a related party of the Company as per Note 3.1.1. Secured Loans include interest free loans granted to The Svadeshi Mills Company Limited, relating to which full provision exists in the financial statements, aggregating ₹ 4,391.78 Lakhs as at 31st March, 2023 *(31st March, 2022 ₹ 4,391.78 Lakhs)*. The Company, being a secured creditor, with adjudicated dues by the Official Liquidator, expects to receive the dues when the matter is ultimately disposed off.

44. The Company had received ₹ 1,017.04 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The Company had made a provision of ₹ 364.99 Lakhs in earlier years which was reversed on receipt of ₹ 1,017.04 Lakhs from Coromandel Garments Limited and accounted the balance as interest income during the year ended 31st March, 2016.

In July 2018, in a separate proceeding the Hon'ble High Court, Mumbai had directed the Company to refund the aforesaid amount of ₹ 1,017.04 Lakhs with interest. Consequently, the Company refunded ₹ 1,055.82 Lakhs [including interest calculated from the date of the order till the date of payment aggregating ₹ 38.78 Lakhs] and recorded this as an exceptional expense during the year ended 31st March, 2019. The Company was subsequently directed by the Hon'ble High Court to pay interest from the date the amount was received by the Company, amounting to ₹ 276.19 Lakhs (of which the Company had provided for ₹ 46.00 Lakhs and ₹ 230.19 Lakhs was disclosed as a contingent liability), which was appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of ₹ 744.18 Lakhs (comprising ₹ 325.00 Lakhs towards loan and ₹ 419.18 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of ₹ 276.19 Lakhs was dismissed on 9th June, 2021. Thereafter the Official Liquidator filed a report seeking permission from the Hon'ble High Court, Mumbai for payment of an amount of ₹ 467.99 Lakhs after adjusting interest amount of ₹ 276.19 Lakhs from the total adjudicated claim of ₹ 744.18 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official liquidator to pay an amount of ₹ 467.99 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for ₹ 230.19 Lakhs in addition to ₹ 46.00 Lakhs provided earlier and recorded the expense as an exceptional item for year ended 31st March, 2022. The company has received the aforesaid amount of ₹ 467.99 Lakhs in the previous year.

45. Leases

Lessee accounting

(i) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	**31st Mar., 2023**	*31st Mar., 2022*
Right-of-use assets		
Office premises	**512.90**	*23.19*
Land	**17.65**	*17.96*
Total	**530.55**	*41.15*

Particulars	**31st Mar., 2023**	*31st Mar., 2022*
Lease liabilities		
Non-current	**527.61**	*19.38*
Current	**11.94**	*6.80*
Total	**539.55**	*26.18*

Additions to right-of-use asset during the current financial year were ₹ 535.17 Lakhs (Previous year ₹ Nil)

(ii) Right-of-use assets for the year ended 31st March, 2023 and 31st March, 2022.

Particulars	**Office Premises**		**Land**	
	31st Mar., 2023	*31st Mar., 2022*	**31st Mar., 2023**	*31st Mar., 2022*
Cost or Deemed cost				
Balance at 1st April, 2022/ 1st April, 2021	33.45	*227.39*	19.04	*19.04*
Additions	535.17	*-*	-	*-*
Disposals	-	*193.94*	-	*-*
Balance at 31st March, 2023/ 31st March, 2022	**568.62**	*33.45*	**19.04**	*19.04*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

Particulars	Office Premises		Land	
	31st Mar., 2023	*31st Mar., 2022*	**31st Mar., 2023**	*31st Mar., 2022*
Accumulated depreciation				
Balance at 1st April, 2022/ 1st April, 2021	10.26	*33.61*	1.08	*0.17*
Depreciation expense for the year	45.46	*25.13*	0.31	*0.91*
Disposals	-	*48.48*	-	*-*
Balance at 31st March, 2023/ 31st March, 2022	**55.72**	*10.26*	**1.39**	*1.08*
Carrying Amount				
Balance at 31st March, 2023/ 31st March, 2022	**512.90**	*23.19*	**17.65**	*17.96*

(iii) Amounts recognized in Statement of Profit and Loss.

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

Particulars	31st Mar., 2023	*31st Mar., 2022*
Depreciation charge of right-of-use assets		
Office Premises	45.46	*25.13*
Land	0.31	*0.91*
Total	**45.77**	*26.04*
Interest expense on lease liability (included in finance cost)	48.20	*14.01*
Expense relating to short term leases (Included in Other Expenses)	-	*5.89*
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses)	-	*10.98*
Total	**93.98**	*56.92*

The total cash outflow for leases in year ended 31st March, 2023 was ₹ 69.99 Lakhs *(Previous year ₹ 28.13 Lakhs)*.

(iv) Critical judgements in determining the lease term

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

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

1. If there is significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate).

2. If any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate)

3. Otherwise, the Company considers the other factors including historical lease duration and the costs and business disruption required to replace the leased asset.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise it. The assessment of reasonably certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within control of lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was a decrease in lease liabilities and right-of-use assets by ₹ Nil Lakhs and ₹ Nil Lakhs respectively *(Previous year ₹ 172.73 Lakhs and ₹ 145.43 Lakhs respectively)*.

Lessor accounting as a lessor

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases (Refer note 37) as a results of the adoption of Ind AS 116.

For maturity profile of Lease liabilities - Refer Note 36.5.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

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

	Name	During the year		Closing balance		Period	Rate of Interest (%)	Purpose
		Given	Returned					
A	**Loans given**							
1	Svadeshi Mills Company Limited	-	-	**4,391.78**	*	**N.A.**	**N.A.**	General corporate purpose
		-	-	*4,391.78*	*	*N.A.*	*N.A.*	
2	Coromandal Garments Limited	-	-	**-**		**N.A.**	**N.A.**	General corporate purpose
		-	-	-	#			
3	Edumetry Inc. USA	-	-	**72.53**	*	**N.A.**	**N.A.**	General corporate purpose
		-	-	*72.53*	*	*N.A.*	*N.A.*	
4	Forbes Container Lines Pte Limited	-	-	**302.47**	*	**On Demand**	**12%**	General corporate purpose
		-	-	*302.47*	*	*On Demand*	*12%*	
5	Forbes Technosys Limited	-	-	**6,450.73**		**On Demand**	**11.00%**	General corporate purpose
		4,748.23	*15.00*	*3,265.73*		*On Demand*	*11.00%*	
C	**Guarantees given**							
1	Shapoorji Pallonji Bumi Armada Offshore Limited	**-**	**-**	**-**		**N.A.**	**N.A.**	N.A.
		-	*3,347.79*	-	@	*N.A.*	*N.A.*	*N.A.*
2	Forbes Technosys Limited	**-**	**2,714.67**	**69.33**		**Continuing for working capital and 3 years for General Corporate Purpose**	**N.A.**	Working Capital and General corporate purpose
		-	*5,704.72*	*2,784.00*			*N.A.*	
3	Shapoorji Pallonji Forbes Shipping Limited	**-**	**-**	**-**		**N.A.**	**N.A.**	General corporate purpose
		-	*78.62*	*485.74*		*1 year*	*N.A.*	

Note:

* Provided as doubtful

@ Guarantee given Nil (Previous year Nil)

\# Refer Note 44 for further details.

Figures in italics are in respect of the previous years.

47. Net debt reconciliation

₹ in Lakhs

	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Short Term Borrowings	-	*(2,343.24)*
Long Term Borrowings	**(1,012.95)**	*(5,548.20)*
Current Maturities of Long Term Borrowings	**(252.17)**	*(2,286.22)*
Lease Liability	**(539.55)**	*(26.18)*
Total debt	**(1,804.67)**	*(10,203.84)*
Cash and Cash equivalents	**3,625.93**	*611.08*
Net debt	**1,821.26**	*(9,592.76)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

₹ in Lakhs

	Other assets	Liabilities from financing activities			
	Cash and cash equivalents	**Long term borrowing including current maturity**	**Short term borrowing**	**Lease Liability**	**Total**
Net debt as at 1st April, 2022	**611.08**	**(7,834.42)**	**(2,343.24)**	**(26.18)**	**(9,592.76)**
Cash flows	3,014.85	6,569.31	2,343.24	(513.37)	11,414.03
Interest expense	-	(483.74)	(98.31)	(48.20)	(630.25)
Interest paid *	-	483.74	98.31	-	582.05
Non cash movements for acquisitions and disposals	-	-	-	48.20	48.20
Net debt as at 31st March, 2023	**3,625.93**	**(1,265.12)**	**-**	**(539.55)**	**1,821.26**

* The interest paid during the year includes ₹ Nil *(Previous year ₹ Nil)* in respect of interest costs capitalised for the property, plant and equipment in accordance with Ind AS 23 and interest expense on loans for real estate development activites amounting to ₹ Nil *(Previous year ₹ 52.75 Lakhs)*.

₹ in Lakhs

	Other assets	*Liabilities from financing activities*			
	Cash and cash equivalents	*Long term borrowing including current maturity*	*Short term borrowing*	*Lease Liability*	*Total*
Net debt as at 1st April, 2021	*2,170.53*	*(11,359.58)*	*(3,765.43)*	*(213.33)*	*(13,167.81)*
Cash flows	*(1,559.45)*	*3,521.51*	*1,422.19*	*28.43*	*3,412.68*
Interest expense	*-*	*(893.05)*	*(563.14)*	*(14.01)*	*(1,470.20)*
*Interest paid **	*-*	*896.70*	*563.14*	*-*	*1,459.84*
Non cash movements for acquisitions and disposals	*-*	*-*	*-*	*172.73*	*172.73*
Net debt as at 31st March, 2022	*611.08*	*(7,834.42)*	*(2,343.24)*	*(26.18)*	*(9,592.76)*

48. Offsetting financial assets and financial liabilities

₹ in Lakhs

	Gross amounts	**Gross amounts set off in the Balance Sheet**	**Net amounts presented in Balance Sheet**
	(Financial Assets -Trade Receivables)	**(Financial Liabilities - Rebates/ Discounts)**	**(Net Financial Assets - Trade Receivables)**
31st March, 2023	**7,309.69**	**324.59**	**6,985.09**
Total	**7,309.69**	**324.59**	**6,985.09**
31st March, 2022	*7,229.08*	*281.54*	*6,947.54*
Total	*7,229.08*	*281.54*	*6,947.54*

The Company gives rebates/ discounts mainly for Engineering segment. Under the terms of contract, the amounts payable by the Company are offset against receivables from customers and only the net amount is settled (i.e. after adjustment towards rebates/ discounts). The relevant amounts have therefore been presented net in the Balance Sheet.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

49. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

₹ in Lakhs

Particulars	Notes	As at 31st Mar., 2023	*As at 31st Mar., 2022*
Current			
Floating charge			
Financial Assets			
- Trade receivables	9	**2,923.88**	*3,144.30*
- Cash and cash equivalents	13A	**-**	*611.08*
- Bank balances other than above	13B	**-**	*289.21*
- Loans	10B	**-**	*0.83*
- Other financial assets	11B	**-**	*96.01*
- Other current assets	14B	**-**	*1,067.26*
		2,923.88	*5,208.69*
Non-financial assets			
- Inventories	12	**3,446.82**	*4,370.34*
Total current assets pledged as security		**6,370.70**	*9,579.03*
Non-current			
Specific charge			
- Leasehold land	5	**10.13**	*10.30*
- Freehold buildings	5	**3,553.47**	*3,594.14*
- Plant & Machinery	5	**4,918.88**	*5,227.50*
- Furniture & fixtures	5	**24.44**	*27.34*
- Office equipments	5	**3.35**	*5.61*
- Vehicle		**-**	*38.32*
- Investment properties	6	**-**	*89.42*
- Capital work-in-progress	5.1	**182.80**	*81.82*
Total non-currents assets pledged as security		**8,693.06**	*9,074.46*
Total assets pledged as security		**15,063.76**	*18,653.49*

Certain loans taken by a subsidiary, Forbes Technosys Limited (FTL) are backed by 1st Pari-passu charge on property owned by the Company situated at Wagle Estate Thane with carrying value amount ₹ Nil *(Previous year ₹ 0.27 Lakhs).*

50. Ind AS 115 'Revenue from Contracts with Customers', a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 was effective from accounting period beginning on or after 1st April, 2018 and replaced the then existing revenue recognition standards. The application of Ind AS 115 had significant bearing on the Company's accounting for recognition of revenue from real estate development projects.

Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers, the Company has recognised revenue of ₹ 201.00 Lakhs for the year ended 31st March, 2023 and ₹ *1,490.58 lakhs for the year ended 31st March, 2022.*

51. The COVID-19 pandemic has severely disrupted the world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Company commenced with its operations in a phased manner in line with the directives from the authorities.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

The Company has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the new waves and strains of virus in the country) on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, trade receivables, inventory and investments as at the Balance Sheet date. Based on the management's review of the current indicators and economic conditions, there are no additional adjustments on the Company's financial results for the year ended 31st March, 2023. The Company has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

The Company throughout the lockdown period and even subsequently has been able to maintain adequate control of its assets and there are no significant changes to its control environment during the period.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes to future economic conditions.

52. Forbes Technosys Limited (FTL), a subsidiary, has incurred a total comprehensive loss of ₹ 3,384.96 Lakhs for the year ended 31st March, 2023. Its accumulated losses aggregates to ₹ 18,276.32 Lakhs and its current liabilities exceeded current assets by ₹ 11,171.29 Lakhs as at 31st March, 2023.

FTL has suffered a setback in the last few years due to covid, entry of local players, and also the muted demand and stress in the key sectors that FTL has been traditionally dependent on, such as banking and telecom, has impacted business activities and overall performance of FTL, resulting in FTL realigning its market strategies, exited certain loss making business verticals and focusing on serving customer orders and providing logistics services to customers. Overall, the present situation coupled with the impact of Covid-19 had resulted in a decline in the recoverable value of investment / other assets in FTL, consequent to which an impairment provision / loss allowances as follows have been created:

- The company has made a provision for doubtful trade & contractual receivable amounting to ₹ 3.00 Lakhs during the quarter ended 31st March, 2023 and ₹ 22.00 Lakhs for the year ended 31st March, 2023.

- The Company has not granted any additional inter corporate deposit during the quarter ended 31st March 2023. However, the company has granted Inter corporate deposits ₹ 3,185.00 Lakhs for the year ended 31st March 2023. Provision created for Guarantees given to FTL by the Company amounting to ₹ 2,784.00 Lakhs has been utilized for providing the inter-corporate deposits and balance amount of ₹ 401.00 Lakhs has been provided for the year ended 31st March 2023. Out of provision of ₹ 401.00 Lakhs an amount of ₹ 215.00 lakhs has been provided during the quarter ended 30th June 2022 and balance amount of ₹ 186.00 Lakhs has been provided during the quarter ended 30th September 2022.

- Provision for inter-corporate deposits (including interest accrued thereon) of ₹ 4,733.00 Lakhs for the year ended 31st March, 2022 and provision for guarantees given to FTL (against bank loans availed by FTL) of ₹ 2,784.00 Lakhs (net of utilization), aggregating to ₹ 7,517.00 lakhs has been created for the year ended 31st March 2022. Additionally, inter-corporate deposits given to FTL (including interest accrued thereon) aggregating ₹ 4,800.00 Lakhs (which were fully provided) has been converted into equity investments during the year ended 31st March, 2022.

  Additionally, inter-corporate deposits given to FTL (including interest accrued thereon) aggregating ₹ 4,800 Lakhs (which were fully provided) has been converted into equity investments during the year ended 31st March, 2022.

  The board of directors of FTL have pursuant to provisions of Section 230 to 232 applied to the National Company Law Tribunal (NCLT) for merger of Forbes Campbell Service Limited ("FCSL") and FTL for a consideration of ₹ 3 Lakhs effective 1st October, 2021 and also proposed for reduction in the share capital of FTL. The NCLT, in its order dated 16th September, 2022 ('the Order') approved the Composite Scheme of Arrangement for amalgamation of Forbes Campbell Service Limited ('FCSL') into FTL and reduction of share capital of FTL. The appointed date of the Scheme was 1st October, 2021 and the scheme has been effective from 29th September, 2022 i.e., the last date on which the certified copy of the order was filed with the Registrar of Companies. Pursuant to scheme, the Company has written off the investment of ₹ 13,183.00 Lakhs and provision created for the investment amounting to ₹ 13,183.00 Lakhs is reversed in the during the quarter ended 30th September 2022.

53. The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 had, inter alia, approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") [the wholly owned subsidiaries of Eureka Forbes Limited ("EFL")] with

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

and into EFL and amalgamation and vesting of EFL with and into the Company.

Further, upon the above part of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis take place in the year ended 31st March, 2022. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

On 19th September, 2021 a Share Purchase Agreement (SPA) was entered into between Lunolux Limited (Acquirer), an Advent International entity, Shapoorji Pallonji and Company Private Limited (Seller), the Company, EFL, FESL and Forbes Campbell Finance Limited ("FCFL") for sale of shares of FESL, post issuance and listing of the same pursuant to the Scheme becoming effective.

Pursuant to the aforesaid SPA, the Board of Directors of the Company vide resolution dated 10th October, 2021, approved the following amendments to the Scheme:

- certain identified investments of EFL shall not be demerged as part of the Demerged Undertaking (as defined in the Scheme) from the Company to FESL,

- "appointed date" as per the Scheme would be effective date or the first day of the calendar month immediately succeeding the month in which the effective date occurs, as may be decided by the Board.

Consequently, notices to equity shareholders, secured creditors and unsecured creditors were sent for the aforesaid modifications in the Scheme and necessary approvals from the stock exchange, regulators and other stakeholders were sought. On 6th October, 2021, the Company received an order from Hon'ble National Company Law Tribunal, Mumbai (NCLT) for convening meetings of equity shareholders, secured creditors and unsecured creditors and consequently the meetings were held on 22nd November, 2021, where the scheme was approved. EFL has deconsolidated FESL w.e.f. 1st December, 2021. Further, the Scheme was sanctioned by the NCLT vide order dated 25th January, 2022. Upon receipt of the certified copy of the said order, the Scheme was made effective by filing Form INC 28 with the Registrar of Companies, Mumbai, Maharashtra (ROC) on 1st February, 2022.

The Board of Directors of the respective companies vide resolution dated 31st January, 2022 approved 1st February, 2022 as the Appointed Date, for the purposes of the Scheme. Consequently, with effect from 1st February, 2022, ATPL and EFFSL have merged with EFL, followed by merger of EFL into the Company and demerger of the Demerged Undertaking on a going concern basis into FESL on the same date.

In accordance with the provisions of the Scheme, each shareholder of the Company as on the Record date i.e. 11th February, 2022 were allotted 15 shares each of FESL (Now EFL) which got listed on BSE Limited. The allotment of the aforesaid new shares was completed on 14th February, 2022 and each shareholder of Forbes & Company Limited became entitled to 15 shares of FESL (Now EFL) in the ratio to their original holding as per details specified in the scheme.

Merger

Merger as per the requirements of Appendix C to Ind AS 103 - Business Combinations, should be accounted for as if it had occurred from the beginning of the preceding period in the standalone financial results of the Company. However, in accordance with MCA circular dated 21st August, 2019, the Company has considered the appointed date i.e. 1st February, 2022 as the date of merger.

On account of merger, a net liability of ₹ 13,270.30 lakhs of merged entities as on 1st February, 2022 (after eliminations of intercompany transactions) which includes Lux Group loans, receivables and liabilities ₹ 32,905.97 lakhs, was taken over and the investment of the Company in EFL amounting to ₹ 6,572.86 lakhs has been eliminated.

Demerger

Post the merger scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited ("FESL"), on a going concern basis took place on the appointed date of 1st February, 2022 as approved by the NCLT.

The demerger was considered as a distribution of non-cash assets to the owners of the Company and the difference in the fair value and the carrying amount of net assets of the Demerged Undertaking was recognised as Notional gain on demerger in the financial results for the quarter and year ended 31st March, 2022 as an exceptional item amounting to ₹ 4,52,876.26 Lakhs. Neither the Company nor the shareholders have received any cash or were they entitled to receive any cash in respect of this Composite Scheme.

₹ in Lakhs

Distribution of demerged undertaking to Shareholders of the Company	4,06,600.00
Carrying value of net assets/ (liabilities) of demerged entities	(46,275.74)
Notional gain on distribution of demerged undertaking to owners	4,52,875.74

The aforementioned merger and demerger have a net impact of ₹ 26,433.11 Lakhs on reserves as at 31st March, 2022. The total assets pertaining to the Lux Group retained by the Company in lines with the Composite Scheme are ₹ 32,935.67 Lakhs (Refer Note 32 B and Note 58).

54. A) The Board of Directors of the Company, in their meeting held on 22nd December, 2020, approved entering into a Memorandum of Understanding ("MOU") for sale of approximately 3.804 acres of land at Chandivali. Accordingly, the net carrying value aggregating ₹ 2,315.70 Lakhs [including ₹ 2,277.08 Lakhs paid towards seeking permission under the Urban Land (Ceiling & Regulation) Act, 1976 for the transfer/ sale/ development/ redevelopment of the land during quarter ended 31st March, 2022], has been reflected as asset held for sale as on 31st March, 2022.

Pursuant to the Board of Directors meeting dated 24th March, 2022, the Company has entered into a new Agreement for Sale (AFS) for the aforesaid land, with Equinix India Private Limited (Equinix) for an aggregate consideration of ₹ 23,500.00 Lakhs, which was executed on 24th March, 2022 and the completion of the said transaction was subject to fulfilment of conditions precedent.

The transaction for sale of Chandivali land with Equinix got concluded on 28th June, 2022 post completion of the conditions precedent and the Company received entire consideration of ₹ 23,500.00 Lakhs during the quarter ended 30th June, 2022. The difference between the net disposal proceeds and the carrying amount of the land amounting to ₹ 20,684.00 Lakhs has been recognised as gain on disposal during the quarter ended 30th June, 2022 and reflected in Other Income in these financial results. The capital gain tax impact of the aforesaid transaction has been appropriately considered during the quarter ended 30th June, 2022 and year ended 31st March, 2023.

B) The Board of Directors of the Company at their meeting held on 23rd February, 2022 has approved entering into a binding term sheet for sale of its entire shareholding in Forbes Facility Services Private Limited (FFSPL), a wholly owned subsidiary of the Company to SILA Solutions Private Limited. This binding term sheet has been executed on 23rd February, 2022 and agreement for sale executed on 20th May, 2022. The transaction has been completed on 1st July 2022 a sales consideration of ₹ 4,200.00 Lakhs. The Company has received the consideration of ₹ 3,659.00 Lakhs after deduction of ₹ 240.00 Lakhs for the legal disputes with multiple customers and ₹ 301.00 lakhs for the fees paid to consultant. The difference between the net disposal proceeds and the carrying amount of investment and expenditure incurred on the transactions and provision made on account of the obligations undertaken by the company under the agreement for sale the net amount of ₹ 3,202.00 Lakhs has been recognized as gain on disposal during the quarter ended 30th September 2022 & year ended 31st March 2023 and reflected in Exceptional items in these financial results. The capital gains tax impact of the aforesaid transaction has been appropriately considered during the September 2022 quarter & year ended 31st March 2023.

Additionally, as per the terms of the agreement to sale, the Company has taken-over current receivables and payable balances of FFSPL to/ from related parties aggregating ₹ 122.00 Lakhs and ₹ 237.00 Lakhs respectively and receivable from non-related party amounting to ₹ 54.00 Lakhs and the net amount of ₹ 60.00 Lakhs is received by the Company from FFSPL. and the same has been paid against payables.

C) The Board of Directors of the Company, at their meeting held on 30th May, 2022, have approved the sale of the entire shareholding in SPFSL. The Company has sold 3,75,000 equity shares of ₹ 10 each and 2,21,50,000 Zero Percent Redeemable Preference Shares of ₹ 10 each of SPFSL to M/s G.S Enterprises, a related party for an aggregate purchase consideration of ₹ 2,900.00 Lakhs during the year ended 31st March, 2023. The net carrying value of the investments in SPFSL (reflected as asset held for sale on 31st March, 2022) as at the date of sale was ₹ 2,802.00 Lakhs and hence the Company has recognised an exceptional gain of ₹ 98.00 Lakhs during the year ended 31st March, 2023.

55. The Board of Directors of the Company in their meeting dated 26th September, 2022 have approved the Scheme of Arrangement ("Scheme") between the Company ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of "Precision Tools business" of the Company into Forbes Precision Tools and Machine Parts Limited.

The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Company, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations are submitted to the Designated Stock Exchange.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

FPTL has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Company.

56. The Company and MACSA ID, S.A., have entered into a 50:50 Joint Venture Agreement on December 5, 2022 (JVA) for providing innovative laser marking and traceability solutions for the entire range of materials metal and non-metals. Pursuant to the terms of the JVA, a joint venture company viz., Forbes Macsa Private Limited has been incorporated on December 9, 2022.

57. Forbes Campbell Finance Limited (FCFL), a subsidiary, has early redeemed 0.1% Optionally Convertible Redeemable Debentures at face value of ₹ 10 each for year ended 31st March, 2022. The difference between the carrying amount of the debentures aggregating ₹ 524.51 Lakhs and the amount received from FCFL aggregating ₹ 1,728.00 Lakhs has been recognized as income received on early redemption from FCFL (i.e. ₹ 1,203.49 Lakhs) for the year ended 31st March, 2022 and recorded as an exceptional item.

58. Lux group is part of the Health and Hygiene business segment of the Group and was earlier part of the Eureka Forbes group of subsidiaries. Pursuant to the demerger of the major Health and Hygiene business in lines with the composite scheme (refer Note 53) from the Group, synergies which were expected to bring about business expansion and recovery for Lux Group might not be attainable. Accordingly, based on an assessment of the revised future projections carried out by the Company's management after considering current economic conditions and trends and estimated future operating results, an impairment loss of ₹ 32,935.67 Lakhs has been recorded as an exceptional item for the quarter and year ended 31st March, 2022 towards:

- Loans outstanding of ₹ 10,173.52 Lakhs for the year ended 31st March, 2022.
- Financial assets aggregating ₹ 20,033.38 Lakhs for the year ended 31st March, 2022
- Non-current assets ₹ 272.80 Lakhs for the year ended 31st March, 2022,
- Trade Receivables ₹ 2,455.97 Lakhs for the year ended 31st March, 2022.

59. Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i. Details of benami property held

There are not any proceedings that have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder as at 31st March, 2023.

ii. Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial Institution or other lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial statements are approved or in an earlier period and the default has continued for the whole or part of the current year.

iii. Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

iv. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

v. (a) The company has not advanced or loaned or invested any funds (either borrowed funds or share premium or any other sources or kind of funds)during the year to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding (whether recorded in writing or otherwise) that the intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or,

ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(b) The company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) during the year with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

vi. Undisclosed income

The company does not have any transaction that are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), during the year.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023 - Continued

vii. Details of crypto currency or virtual currency

The group has not traded or invested in crypto currency or virtual currency during the current or previous year.

viii. Valuation of PP&E, intangible asset and investment property

The group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

60. Other regulatory information

i. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

ii. Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

iii. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. The Group has five CICs which are part of the Group

- SP Finance Private Limited,
- SC Finance and Investments Private Limited,
- Hermes Commerce Private Limited,
- Renaissance Commerce Private Limited and
- Shapoorji Pallonji Energy Private Limited (formarly known as Shapoorji Pallonji Oil and Gas Private Limited).

61. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

62. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 26th May, 2023.

Signature to Notes 1 to 62

In terms of our report of even date

For Sharp & Tannan Associates

Firm Registration No. 0109983W
Chartered Accountants

Parthiv S. Desai
Partner
Membership Number: (F) 042624

Place: Mumbai
Date: 26th May, 2023

NIRMAL JAGAWAT
Chief Financial Officer

RUPA KHANNA
Company Secretary
Membership No : A33322

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 26th May, 2023

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
BALANCE SHEET AS AT June 30, 2023

Annexure K-1

Particulars	Note No.	₹ As at June 30, 2023
ASSETS		
1 Non-current assets		
a Property, Plant and Equipment		-
b Right-of-use assets		-
c Other Intangible assets		-
d **Financial Assets:**		
i) **Investments**		
ii) Trade receivables		-
iii) Loans		-
iv) Other financial assets		-
e Deferred tax assets		-
f Income tax assets (net)	10	-
g Other non-current assets		-
Total Non-current assets		-
2 Current assets		
a Inventories		-
b **Financial Assets:**		
i) Cash and cash equivalents	3	5,00,000.00
c Current tax assets (net)		-
d Other current assets	4	7,353.00
Total Current assets		5,07,353.00
Total Assets		5,07,353.00
EQUITY AND LIABILITIES		
Equity		
a Equity share capital	7	5,00,000.00
b Other equity	8	(1,42,002.00)
Equity attributable to owners of the Company		3,57,998.00
Total Equity		3,57,998.00
Liabilities		
1 Non-current liabilities		
a **Financial liabilities:**		
i) Borrowings		-
ii) Lease Liability		-
iii) Other financial liabilities		-
b Provisions		-
c Deferred tax liabilities (net)		-
d Other non-current liabilities		-
Total Non-current liabilities		-
2 Current liabilities		
a Financial liabilities:		
i) Borrowings		-
ii) Lease Liability		-
iii) Trade payables	6	
a) total outstanding dues of micro enterprises and small enterprises; and		44,203.00
b) total outstanding dues of creditors other than micro enterprises and small enterprises		11,402.00
iv) Other financial liabilities		-
b Other current liabilities	5	93,750.00
c Provisions		-
d Current tax liabilities (net)	10	-
Total Current Liabilities		1,49,355.00
Total Liabilities		1,49,355.00
Total Equity and Liabilities **TOTAL**		5,07,353.00
		-
Significant Accounting Policies	1 & 2	
The accompanying notes form an integral part of the financial statements	3 to 15	

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date:
Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM April 01, 2023 TO June 30,2023

	Particulars	Note No.	₹ For the period ended June 30, 2023
I	Revenue from operations		-
II	Other income		-
III	**Total Income (I + II)**		-
IV	**Expenses:**		
	Cost of materials consumed		-
	Purchases of stock-in-trade		-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		-
	Employee benefits expense		-
	Finance cost		-
	Depreciation and amortisation expense		-
	Other Expenses	**9**	24,502.00
	Total expenses		**24,502.00**
V	**Profit before exceptional items and tax (III - IV)**		**(24,502.00)**
VI	Exceptional items (net)		-
VII	**Profit / (Loss) before tax (V-VI)**		**(24,502.00)**
VIII	**Tax expense / (credit):**		
	Current tax	**10**	-
	Deferred tax	**10**	-
IX	**Profit / (loss) for the year (VII-VIII)**		**(24,502.00)**
X	**Other Comprehensive Income**		
A)	**(i) Items that will not be reclassified to Statement of Profit and Loss**		-
	Remeasurement of the defined benefit plans		-
	(ii) Income tax relating to these items		-
	Deferred tax		-
			-
XI	**Total Comprehensive Income / (Loss) for the year (IX + X)**		**(24,502.00)**
XII	**Earning per equity share :**		
	Basic and diluted earnings per equity share	**11**	(0.49)
Significant Accounting Policies		**1 & 2**	
The accompanying notes form an integral part of the financial statements		**3 to 15**	

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date:
Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2023

		₹ For the period ended June 30, 2023
Cash flows from operating activities		
Profit before Tax		**(24,502.00)**
Adjustments for -		
Finance costs recognised in profit or loss	-	
ROU Rent Expenses	-	
OCI Impact to Gratuity Expenses	-	
Depreciation and amortisation of non-current assets	-	
		-
Operating profit / (loss) before working capital changes		**(24,502.00)**
Movements in working capital:		
Decrease / (increase) in trade receivables and other receivables	(153.00)	
Increase / (decrease) in trade payables and other payables	5,905.00	
Increase / (decrease) in other liabilities	18,750.00	
		24,502.00
Cash generated from / (used in) operations		-
Income taxes paid (net of refunds)		-
(a) Net cash generated from / (used in) operating activities		-
Cash flows from investing activities:		
Purchase of fixed assets (including adjustments on account of capital work-in-progress and capital advances)	-	
Proceeds from sale of fixed assets	-	
(b) Net cash generated from / (used in) investing activities		-
Cash flows from financing activities:		
Proceeds from Issuance of Share Capital	-	
(c) Net cash generated from / (used in) financing activities		-
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		-
(e) Cash and cash equivalents as at the commencement of the year		**5,00,000.00**
(f) Cash and cash equivalents as at the end of the year (Refer note no 3)		**5,00,000.00**

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements **3 to 15**

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date:
Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

Statement of changes in Equity for the year ended 30th June, 2023

a. Equity share capital

	June 30, 2023
Particulars	**Amount**
Balance as at the beginning of the year	-
Issue of equity share capital	5,00,000.00
Balance as at end of the year	**5,00,000.00**

b. Other equity

₹

Particulars	Reserves and surplus			
	General Reserves	**OCI**	**Retained earnings**	**Total**
Balance as at the beginning of the year	**-**	**-**	**(1,17,500.00)**	(1,17,500.00)
Profit / (loss) for the year	-	-	(24,502.00)	(24,502.00)
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	-
Total comprehensive income / (loss) for the year	**-**	**-**	**(24,502.00)**	**(24,502.00)**
Balance as at end of the year	**-**	**-**	**(1,42,002.00)**	**(1,42,002.00)**

-

For significant accounting policies, Refer Note 1& 2

The accompanying notes form an integral part of the financial statements Refer Note 3 to 15

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date:
Mumbai

1. GENERAL INFORMATION

Forbes Precision Tools And Machine Parts Limited was incorporated on August 30, 2022 in India having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400001. Its parent company is Forbes And Company Limited.The Company is mainly engaged in the business of manufacturing , trading & servicing of engineering and electrical products and Machine & Machine parts.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

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

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

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

iii) Investments in associates and joint ventures

Associates:

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

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

Joint Arrangements:

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

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

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

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

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

iv) Property, Plant and Equipment

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

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

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

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

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

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

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

Sr. No.	Class of assets	Estimated useful life
a	Building including investment properties	30 - 60 years
b	Plant and Equipment	10 - 15 years
c	Furniture and Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 5 years and Data processing
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land (including investment properties)	Lower of the useful life in the range of 30 - 60 years and the lease term building useful life is based on technical certification
g	Temporary structures (included in building)	4 years
h	Solar Power Plant	25 years

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

v) Capital work-in-progress

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

vi) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs and where applicable borrowing cost. Subsequent to initial recognition, investment properties are measured in accordance with Ind AS 16's requirements for cost model, other than those that meet the criteria to be classified as held for sale shall be measured in accordance with Ind AS 105.

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

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

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

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

ix) Impairment of Assets

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

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

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

xi) Financial instruments

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

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

Financial assets

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

Classification:

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

- The contractual rights to the cash flows from the financial asset expire, or
- 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.
- The company has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset. Short-term advances by the company with the right of full recovery of the amount lent plus accrued interest at market
- The company is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.
- The company has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents (as defined in Ind AS 7 Statement of Cash Flows) during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

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

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

xii) Inventories

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

xiii) Earnings per share

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

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

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

xiv) Employee Benefits

a) Short-term employee benefits

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

b) Other long-term employee benefits

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined Contribution plans such as employee state insurance scheme.
- Defined Benefit plans such as gratuity.

Defined Contribution Plans

The Company's contribution to 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.

The Company’s liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.
The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

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

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

xv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Contingent liability is disclosed for (i) Possible obligations that arises from past events and whose existence 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 (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.

The Company applies the five-step approach for recognition of revenue:-

- Identification of contract(s) with customers;
- Identification of the separate performance obligations in the contract;
- Determination of transaction price;
- Allocation of transaction price to the separate performance obligations; and
- Recognition of revenue when (or as) each performance obligation is satisfied.

1 **Sale of goods:**

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component

b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred

c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

2 **Sale of Services:**

Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

3 **Interest and Dividend Income:**

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

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

4 **Export Incentives:**

Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

xviii) Foreign currency transactions and balances

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

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

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

xix) Lease accounting

As a lessee:

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

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

- fixed payments (including in substances fixed payments), less any lease incentive receivable
- variable lease payments that depend on an index or a rate,initially measured using the index or rate as at the commencement date;
- any residual value guarantees provided to the lessor by the lessee, a party related to the lessee or a third party unrelated to the lessor that is financially capable of discharging the obligations under the guarantee;
- the exercise price of the purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

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

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

xx) Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xxi) Government grants

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

xxii) Borrowing Costs

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

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

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

xxiii) Segment Reporting

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

xxiv) Non-current assets held for sale

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

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

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

xxv) Cash and cash equivalents

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

xxvii) Dividend

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

xxviii) Exceptional Items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

xxvix) New amendments issued but not effective

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which effective 1st April 2023

a. Amendments to Ind AS 1, Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.

b. Amendments to Ind AS 8, Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.

c. Amendments to Ind AS 12, Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

   Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

3. Cash and cash equivalents

Particulars	₹ As at June 30, 2023
Balances with Banks	
a) In current accounts	5,00,000.00
b) Deposits accounts	-
	5,00,000.00
Cheques, drafts on hand/ in transit	-
Cash on hand	-
Cash and cash equivalents as per balance sheet	**5,00,000.00**

4 Other assets - Current

Particulars	₹ As at June 30, 2023
Prepaid expenses	-
Advance to Vendor	-
Balances with government authorities	7,353.00
Total	**7,353.00**

5 Other current liabilities

Particulars	₹ As at June 30, 2023
Payable to Employees	-
Provision for expenses	93,750.00
TDS/ Tax/ Stat payable	-
Total	**93,750.00**

6 Trade payables - Current

Particulars	₹ As at June 30, 2023
Total outstanding dues of micro enterprise and small enterprises	44,203.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	11,402.00
Total	**55,605.00**

Ageing of Trade Payables for the year ended 30th June, 2023

₹

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	-	44,203.00	-	-	-	**44,203.00**
Others	-	-	11,402.00	-	-	-	**11,402.00**
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	-	-	**55,605.00**	-	-	-	**55,605.00**

Note: Ageing has been considered from the due date

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

Particulars	As at June 30, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-
Further interest remaining due and payable for earlier years	-

7. Equity share capital

Particulars	₹ As at June 30, 2023
Authorised Share capital :	
50,000 fully paid equity shares of ` 10 each	5,00,000.00
(Previous year Nil)	
	5,00,000.00
Issued, subscribed and paid-up share capital:	
50,000 fully paid equity shares of ` 10 each	
(Previous year Nil)	5,00,000.00
	5,00,000.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes:

1 Fully paid equity shares

Particulars	Number of shares	Share Capital Rs. in '000
Balance as at the year end	**50,000**	**5,00,000.00**

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

Particulars	Fully paid Equity shares As at June 30, 2023
Forbes & Company Limited	50,000.00
Total	**50,000.00**

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

Particulars	As at June 30, 2023 Number of shares held	 % holding in the class of shares
<u>**Fully paid equity shares**</u>		
Forbes & Company Limited	**50,000.00**	**100.00**
Total	**50,000.00**	**100.00**

4 Details of shareholding of promoters

Name of the promoter	As at June 30, 2023 Number of shares held	 % holding in the class of shares
Forbes & Company Limited	**50,000.00**	**100.00**
Total	**50,000.00**	**100.00**

8. Other equity

Particulars	₹ As at June 30, 2023
a) **Reserves and surplus**	
Retained earnings	
Balance at beginning of the year	**(1,17,500.00)**
Less: Inter divisional P&L Mar.22 tr to Corporate	-
Balance at beginning of the year	**(1,17,500.00)**
Profit for the year	**(24,502.00)**
Balance at end of the year	**(1,42,002.00)**

Description of Reserves Retained Earnings:

Retained earnings - represent the amount of accumulated earnings of the Company

General reserve: - The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

9. Other expenses

Particulars	₹ For the period ended June 30, 2023
Miscellaneous expenses	850.00
Legal and professional charges	2,000.00
Rates and taxes (excluding taxes on income)	2,902.00
Auditors remuneration	
To Statutory Auditors	
i) For audit	18,750.00
ii) For reimbursement of expenses	-
Total	**24,502.00**

10. Income taxes

10.1 Income tax recognised in profit or loss

Particulars	₹ For the period ended June 30, 2023
For Continuing operations	
Current tax	
In respect of the current year	-
	-
Deferred tax	
In respect of the current year	-
	-
Total income tax expense recognised in the current year relating to continuing Operations	-
The income tax expense for the year can be reconciled to the accounting profit as follows:	
Profit before tax from total operations	**(24,502.00)**
Income tax expense calculated at 25.17% (2022-23: 25.17%)	**(6,167.15)**
Effect of expense that is non deductible in determining taxable profit	-
Effect of tax incentives and	-
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	-
Effect of income that is exempt from taxation	-
Effect on deferred tax assets due to change in tax rates	-
Impact of Capital Loss	-
Others	**6,167.15**
Income tax expense recognised in the Statement of Profit and Loss	-

11. Earnings per share

Particulars	For the period ended June 30, 2023
Profit for the year (After exceptional items) (Rs in Thousand) (A)	**(24,502.00)**
Profit for the year (Before exceptional items) (Rs in Thousand) (B)	**(24,502.00)**
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (C)	**50,000**
Basic/ Diluted Earnings per equity share (After exceptional items) D=(A/C) (Rs.)	**(0.49)**
Basic/ Diluted Earnings per equity share (Before exceptional items) E=(B/C) (Rs.)	**(0.49)**

12. Financial Instruments

12.1 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 total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:	₹ **As at June 30, 2023**
Total Equity	**3,57,998.00**
Short Term Borrowings	-
Long Term Borrowings	-
Current Maturities of Long Term Borrowings	-
Lease Liabilities	-
Total Debt	**-**
Cash and Cash equivalents	5,00,000.00
Net Debt	**(5,00,000.00)**
Debt Equity ratio	**-**
Debt Equity Ratio = Total Debt / Total Equity	

12.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios	**Numerator**	**Denominator**	**As at June 30, 2023**
Current Ratio	Current assets	Current liabilities	3.40
Debt-Equity Ratio	Total debt	Total equity	0.00
Debt Service Coverage Ratio	Earning for debt	Debt service	0.00
Return on Equity Ratio	Net profit after tax	Average shareholders equity	-7%
Inventory turnover ratio	COGS	Average inventory	0.00
Trade Receivables turnover ratio	Credit sales	Average trade receivable	0.00
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.00
Net capital turnover ratio	Credit sales	working capital	0.00
Net profit ratio	Net profit after tax	Revenue from operations	0%
Return on Capital employed	Earnings before interest and ta	capital employed	-7%
Return on investment	Earnings before interest and ta	Closing total assets	-5%

The Company was incorporated on August 30, 2022 and hence there are no corresponding figures of previous year & so variance is not calculated.

12.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

12.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

12.5 Liquidity Risk

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

₹

	As at June 30, 2023			
Maturities of Financial Liabilities as at the Balance Sheet date	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	11,402.00	-	-	-
Other Financial Liabilities	1,37,953.00	-	-	-
	1,49,355.00	**-**	**-**	**-**

12.6 Categories of Financial Instruments: ₹

	As at June 30, 2023		
	FVTPL	**FVTOCI**	**Amortised Cost**
Financial Assets			
Cash and Bank Balances	-	-	5,00,000.00
Other Financial Assets	-	-	7,353.00
	-	**-**	**5,07,353.00**
Financial liabilities			
Trade Payables	-	-	11,402.00
Other Financial Liabilities	-	-	1,37,953.00
	-	**-**	**1,49,355.00**

13. Related Party Disclosures

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

	Nature of Relationship	Name of Entity
A	Holding Company	Forbes & Company Limited
B	Key Managerial Persons:	Nirmal Chandmal Jagawat (Director) Ravinder Chander Prem (Director) Rupa Pawan Khanna (Director)

Current Period

(b) transactions / balances with above mentioned related parties

		A Forbes & Company Ltd.
	Nature of Transaction	
	Balances	
1	Trade Payables	6,500.00
	Transactions	
	Other Receipts / Payments	
1	Reimbursement of Expenses	-
	Finance	
1	Equity Investment	-

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.

b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.

c) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

14

The Board of Directors of the Forbes Precision Tools and Machine Parts Limited in the meeting dated 26th September, 2022 have approved the Scheme of Arrangement ("Scheme") between the Forbes & Company Limited ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of "Precision Tools business" of the Forbes & Company Lmited into Forbes Precision Tools and Machine Parts Limited.

The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Forbes & Company Limited, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations are submitted to the Designated Stock Exchange by Forbes & Company Limited.

The Appointed date of the scheme is 1st April 2023.

Forbes Precision Tools and Machine Parts Limited has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Forbes & Company Limited.

15 Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i) The Company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

ii) The Company do not have any transactions with companies struck off

iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

iv) 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 hike to or on behalf of the Ultimate Beneficiaries

v) The Company have 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 hike to or on behalf of the Ultimate Beneficiaries

vi) The Company have not 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)

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date:
Mumbai

INDEPENDENT AUDITOR'S REPORT

To the members of FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of **FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED** (hereinafter referred as "the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the period from August 30, 2022 to March 31, 2023 and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter collectively referred 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 (hereinafter referred as "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 (hereinafter referred as "Ind AS") and other accounting principles generally accepted in India, of the state of affairs (financial position) of the Company as at March 31, 2023, its loss, other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (hereinafter referred as "SAs") specified Under Section 143(10) of the Act. Our responsibilities under those Standards are further described in 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 (hereinafter referred as "ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules there under, 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.

Emphasis of Matter

We draw attention to Note 14 of the standalone financial statements in respect of Scheme of Arrangement approved by the Board of Directors of the Company in their meeting dated 26th September, 2022, between Forbes & Company Limited (FCL) and Forbes Precision Tools and Machine Parts Limited (FPTL) and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the rules framed thereunder. This Scheme is a 'Scheme of Arrangement' involving demerger of "Precision Tools Business" of FCL into the Company. The Scheme is subject to necessary approvals by the applicable authorities. The appointed date of the Scheme is 1st April 2023 or such other date as may be fixed or approved by NCLT, Mumbai Bench.

Our opinion is not modified in respect of this matter.

Information other than the Standalone Financial Statements and Auditor's Report thereon (hereinafter referred as "other information")

The Company's Management and Board of Directors are responsible for the preparation of the other information. The other information comprises the Board's report included in the annual report but does not include the Standalone Financial Statements and our report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance and / or conclusions thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above 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.

Management Responsibilities for the Standalone Financial Statements

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

In preparing the Standalone 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 the going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

b) 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 an adequate internal financial controls system in place and the operating effectiveness of such controls.

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

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

e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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 in terms of Section 143 (11) of the Act, we give in "**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 and based on our audit we report that:

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

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

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;

e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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, according to the explanation given to us, the remuneration has not been paid by the Company to its directors during the year, the provisions of section 197 of the Act are not applicable to the company.

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. There are no pending litigations by the Company / on the Company which has an impact on its financial position as at March 31, 2023;

   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 that 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 (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("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 (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("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;

   (c) Based on the audit procedures that have been 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 (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement;

   v. During the year Company has not declared / paid any dividend hence reporting under rule 11 (f) is not applicable to that extent; and

   vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of

Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

Parthiv S Desai
Partner
Membership No.: (F) 042624
Mumbai, May 16, 2023 UDIN- 23042624BGYOWY2475

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" Section of our report on even date)

We report that:

(i) The Company does not possess any property, plant and equipment and Intangible Assets during the period, and according to the information and explanations provided to us, there are no proceedings have been initiated 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. Accordingly, the paragraphs 3 (i) (a), (b), (c), (d) and (e) of the Order are not applicable to the Company.

(ii) (a) The Company has no inventory during the year, thus paragraph 3 Clause (ii) (a) of the Order is not applicable to the Company.

(b) The company has not been 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 Clause (ii) (b) of the Order is not applicable to the Company.

(iii) 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 other parties during the year. Accordingly, paragraph 3 Clause (iii) (a), (b), (c), (d), (e) & (f) of the Order is not applicable to the Company.

(iv) The Company has not advanced loans or made investments in or provided guarantees or security to parties covered by section 185 and 186 of the Act. Accordingly, paragraph 3 Clause (iv) of the Order is not applicable to the Company.

(v) The Company has not accepted any deposits during the year from the public to which the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 and any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder apply. Accordingly, paragraph 3 Clause (v) of the Order is not applicable to the Company.

(vi) According to information and explanation given to us, the central government has not prescribed the maintenance of cost records under section 148(1)(d) of the Companies Act, 2013 for any of the products of the company. Accordingly, paragraph 3 Clause (vi) of the order is not applicable to the company.

(vii) According to the information and explanations given to us and based on the records of the Company examined by us in respect of statutory dues:

(a) The Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues where applicable, to it with the appropriate authorities. There were no arrears in respect of said statutory dues as at March 31, 2023 for a period of more than 6 months from the date they became payable.

(b) There are no disputed dues of Income tax, sales tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities as at March 31, 2023.

(viii) During the year there are no such transactions which are not recorded in the books of account, which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961), Accordingly, reporting on paragraph 3 clause (viii) of the Order is not applicable to the Company.

(ix) The company has not borrowed any amount during the year. Accordingly, paragraph 3 clause (ix) (a), (b), (c), (d), (e) and (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised the money by way of initial public offer or further public offer (including debt instruments).

(b) During the year the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) as per the provision of the act and regulation made by the securities exchange board of India. Accordingly, reporting on paragraph 3 clause (x) (a) & (b) of the Order is not applicable to the Company.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management we report that no fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) Based on the audit procedures performed by us there is no report under sub-section (12) of section 143 of the companies act 2013 has been filed by the auditors in the form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Whistle-blower mechanism is not a mandatory requirement to the company. Accordingly, reporting under paragraph 3 Clause (xi)(c) of the order is not applicable to the company.

(xii) The Company is not a Nidhi Company and hence reporting under Paragraph 3 clause (xii)(a), (b) & (c) of the Order is not applicable to the Company.

(xiii) The Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable Ind AS.

(xiv) The company is not required to appoint an Internal auditor. Accordingly, reporting under paragraph 3 Clause (xiv)(a) and (b) of the order is not applicable to the company.

(xv) During the year the company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the company.

(xvi) (a) The Company is not required to be registered under Section 45-IA, The Company has not conducted any Non-Banking Financial or Housing Finance activities and the Company is not a Core Investment Company (CIC) as defined by the Reserve Bank of India. Accordingly, the reporting under paragraph 3 clause (xvi)(a), (b) & (c) of the Order is not applicable to the Company.

(b) According to the information provided to us, there are 5 Core Investment Company, unregistered within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016).

(xvii) The company has incurred cash losses of Rs. 117.50 (Rs. in '000) in the current year. Since this is the first year of the audit the reporting on the preceding year is not applicable.

(xviii) There has not been any resignation of the statutory auditors during the year, hence reporting on Paragraph 3 Clause (xviii) is not applicable to the company.

(xix) 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 is not applicable to the company, accordingly, reporting on Paragraph 3 Clause (xx) (a) & (b) of the order are not applicable to the company.

(xxi) The company does not have any subsidiaries, associates and joint ventures during the year. Hence, the Company is not required to prepare Consolidated Financial Statements. Accordingly, reporting under paragraph 3 Clause (xxi) of the Order is not applicable.

For Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

Parthiv S Desai
Partner
Membership No.: (F) 042624

Mumbai, May 16, 2023
UDIN- 23042624BGYOWY2475

Annexure B to the independent auditor's report on the standalone financial statements of FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED for the year ended 31st March, 2023

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

We have audited the internal financial controls over financial reporting of the Company as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the period 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 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 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 standalone 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 standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 Sharp & Tannan Associates
Chartered Accountants
Firm's Registration No.: 0109983W
by the hand of

Parthiv S Desai
Partner
Membership No.: (F) 042624
UDIN- 23042624BGYOWY2475

Mumbai, May 16, 2023

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
BALANCE SHEET AS AT March 31, 2023

Particulars	Note No.	Rs in '000 As at March 31, 2023
ASSETS		
1 Non-current assets		
a Property, Plant and Equipment		-
b Right-of-use assets		-
c Other Intangible assets		-
d **Financial Assets:**		
i) **Investments**		
ii) Trade receivables		-
iii) Loans		-
iv) Other financial assets		-
e Deferred tax assets		-
f Income tax assets (net)	10	-
g Other non-current assets		-
Total Non-current assets		-
2 Current assets		
a Inventories		-
b **Financial Assets:**		
i) Cash and cash equivalents	3	500.00
c Current tax assets (net)		-
d Other current assets	4	7.20
Total Current assets		507.20
Total Assets		507.20
EQUITY AND LIABILITIES		
Equity		
a Equity share capital	7	500.00
b Other equity	8	(117.50)
Equity attributable to owners of the Company		382.50
Total Equity		382.50
Liabilities		
1 Non-current liabilities		
a **Financial liabilities:**		
i) Borrowings		-
ii) Lease Liability		-
iii) Other financial liabilities		-
b Provisions		-
c Deferred tax liabilities (net)		-
d Other non-current liabilities		-
Total Non-current liabilities		-
2 Current liabilities		
a Financial liabilities:		
i) Borrowings		-
ii) Lease Liability		-
iii) Trade payables	6	
a) total outstanding dues of micro enterprises and small enterprises; and		43.20
b) total outstanding dues of creditors other than micro enterprises and small enterprises		6.50
iv) Other financial liabilities		-
b Other current liabilities	5	75.00
c Provisions		-
d Current tax liabilities (net)	10	-
Total Current Liabilities		124.70
Total Liabilities		124.70
Total Equity and Liabilities **TOTAL**		507.20
		-
Significant Accounting Policies	1 & 2	
The accompanying notes form an integral part of the financial statement	3 to 15	

In terms of our report of even date
For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration No.: 109983W

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Parthiv S. Desai
Partner
Membership No.: 042624

Date: 16/05/2023
Mumbai

Date: 16/05/2023
Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD FROM August 30, 2022 TO March 31,2023

	Particulars	Note No.	Rs in '000 For the period ended March 31, 2023
I	Revenue from operations		-
II	Other income		-
III	**Total Income (I + II)**		-
IV	**Expenses:**		
	Cost of materials consumed		-
	Purchases of stock-in-trade		-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		-
	Employee benefits expense		-
	Finance cost		-
	Depreciation and amortisation expense		-
	Other Expenses	9	117.50
	Total expenses		**117.50**
V	**Profit before exceptional items and tax (III - IV)**		**(117.50)**
VI	Exceptional items (net)		-
VII	**Profit / (Loss) before tax (V-VI)**		**(117.50)**
VIII	**Tax expense / (credit):**		
	Current tax	10	-
	Deferred tax	10	-
IX	**Profit / (loss) for the year (VII-VIII)**		**(117.50)**
X	**Other Comprehensive Income**		
A)	**(i) Items that will not be reclassified to Statement of Profit and Loss**		-
	Remeasurement of the defined benefit plans		-
	(ii) Income tax relating to these items		-
	Deferred tax		-
			-
XI	**Total Comprehensive Income / (Loss) for the year (IX + X)**		**(117.50)**
XII	**Earning per equity share :**		
	Basic and diluted earnings per equity share	11	(2.35)
Significant Accounting Policies		1 & 2	
The accompanying notes form an integral part of the financial statements		3 to 15	

In terms of our report of even date

For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: 042624

Date: 16/05/2023
Mumbai

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
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DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date: 16/05/2023
Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023

		Rs in '000 For the period ended March 31, 2023
Cash flows from operating activities		
Profit before Tax		**(117.50)**
Adjustments for -		
Finance costs recognised in profit or loss	-	
ROU Rent Expenses	-	
OCI Impact to Gratuity Expenses	-	
Depreciation and amortisation of non-current assets	-	
		-
Operating profit / (loss) before working capital changes		**(117.50)**
Movements in working capital:		
Decrease / (increase) in trade receivables and other receivables	(7.20)	
Increase / (decrease) in trade payables and other payables	6.50	
Increase / (decrease) in other liabilities	75.00	
		74.30
Cash generated from / (used in) operations		**(43.20)**
Income taxes paid (net of refunds)		-
(a) Net cash generated from / (used in) operating activities		**(43.20)**
Cash flows from investing activities:		
Purchase of fixed assets (including adjustments on account of capital work-in-progress and capital advances)	-	
Proceeds from sale of fixed assets	-	
(b) Net cash generated from / (used in) investing activities		-
Cash flows from financing activities:		
Proceeds from Issuance of Share Capital	500.00	
(c) Net cash generated from / (used in) financing activities		**500.00**
(d) Net increase / (decrease) in cash and cash equivalents (a + b + c)		**456.80**
(e) Cash and cash equivalents as at the commencement of the year		-
(f) Cash and cash equivalents as at the end of the year (Refer note no 3)		**500.00**

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" setout in Indian Accounting Standard - 7 on Statement of Cash Flows.

The accompanying notes form an integral part of the financial statements **3 to 15**

In terms of our report of even date
For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: 042624

Date: 16/05/2023
Mumbai

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

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DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date: 16/05/2023
Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

Statement of changes in Equity for the year ended 31st March, 2023

a. Equity share capital

Particulars	Amount
	March 31, 2023
Balance as at the beginning of the year	-
Issue of equity share capital	500.00
Balance as at end of the year	**500.00**

b. Other equity

Rs in '000

Particulars	Reserves and surplus			
	General Reserves	OCI	Retained earnings	Total
Balance as at the beginning of the year	**-**	**-**	**-**	-
Profit / (loss) for the year	-	-	(117.50)	(117.50)
Other comprehensive income / (loss) for the year, net of income tax	-	-	-	-
Total comprehensive income / (loss) for the year	**-**	**-**	**(117.50)**	**(117.50)**
Balance as at end of the year	**-**	**-**	**(117.50)**	**(117.50)**

For significant accounting policies, Refer Note 1& 2

The accompanying notes form an integral part of the financial statements Refer Note 3 to 15

In terms of our report of even date

For Sharp & Tannan Associates

Chartered Accountants

Firm's Registration No.: 109983W

Parthiv S. Desai

Partner

Membership No.: 042624

Date: 16/05/2023

Mumbai

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat

Director

DIN : 01854117

Ravinder Chander Prem

Director

DIN :07771465

Rupa Pawan Khanna

Director

DIN :09721876

Date: 16/05/2023

Mumbai

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

1. GENERAL INFORMATION

Forbes Precision Tools And Machine Parts Limited was incorporated on August 30, 2022 in India having registered office at Forbes Building, Charanjit Rai Marg, Fort, Mumbai-400001. Its parent company is Forbes And Company Limited.The Company is mainly engaged in the business of manufacturing , trading & servicing of engineering and electrical products and Machine & Machine parts.

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

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

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

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

iii) Investments in associates and joint ventures

Associates:

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

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

Joint Arrangements:

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

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

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

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

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

iv) Property, Plant and Equipment

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

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

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

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

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

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

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

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

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

v) Capital work-in-progress

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

vi) Investment properties

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

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

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

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

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

ix) Impairment of Assets

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

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

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

xi) Financial instruments

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

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

Financial assets

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

Classification:

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

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

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

Impairment of financial assets

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

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

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

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

Offsetting financial instruments

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

Financial guarantee contracts

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

The Fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligation.

xii) Inventories

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

xiii) Earnings per share

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

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

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

xiv) Employee Benefits

a) Short-term employee benefits

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

b) Other long-term employee benefits

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined Contribution plans such as employee state insurance scheme.
- Defined Benefit plans such as gratuity.

Defined Contribution Plans

The Company's contribution to 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.

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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

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

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

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

xv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

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

1 **Sale of goods:**

Revenue from the sale of goods is recognised when control of the products has been transferred based on agreed terms and there is no unfulfilled obligation which could affect the customers acceptance of the products.

Further the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity.

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

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

At contract inception, since for most of the contracts it is expected that the period between the transfer of the promised goods or services to a customer and payment for these goods or services by the customer will be one year or less, practical expedient in IND AS 115 have been applied and accordingly:

a) The Company does not adjust the promised amount of consideration for the effects of a significant financing component
b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred
c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

A contract liability is the Company's obligation to transfer goods or services to a customer, for which the Company has already received consideration from customers.

2 **Sale of Services:**
Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

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

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

4 **Export Incentives:**
Income from export incentives is recognised on accrual basis to the extent the ultimate realisation is reasonably certain.

xviii) Foreign currency transactions and balances

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

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

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

xix) Lease accounting

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

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

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

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

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

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

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

Right-of-use assets are measured at cost comprising the following:
- the amount of initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

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

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

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

xx) Taxes on Income

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in the Statment of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. The Company recognises Minimum Alternate Tax credit under the Income Tax Act, 1961 as an asset only when and to the extent there is convincing evidence that the Company will be liable to pay normal income tax during the specified period.

xxi) Government grants

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

xxii) Borrowing Costs

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

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

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

xxiii) Segment Reporting

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

xxiv) Non-current assets held for sale

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

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

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

xxv) Cash and cash equivalents

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

xxvii) Dividend

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

xxviii) Exceptional Items

Exceptional items reflect items which individually or, if of a similar type, in aggregate, are disclosed separately due to their size or incidence in order to obtain clear and consistent presentation of the Company's performance.

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2023

3. Cash and cash equivalents

Particulars	Rs in '000 As at March 31, 2023
Balances with Banks	
a) In current accounts	500.00
b) Deposits accounts	-
	500.00
Cheques, drafts on hand/ in transit	-
Cash on hand	-
Cash and cash equivalents as per balance sheet	**500.00**

4 Other assets - Current

Particulars	Rs in '000 As at March 31, 2023
Prepaid expenses	-
Advance to Vendor	-
Balances with government authorities	7.20
Total	**7.20**

5 Other current liabilities

Particulars	Rs in '000 As at March 31, 2023
Payable to Employees	-
Provision for expenses	75.00
TDS/ Tax/ Stat payable	-
Total	**75.00**

6 Trade payables - Current

Particulars	Rs in '000 As at March 31, 2023
Total outstanding dues of micro enterprise and small enterprises	43.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.50
Total	**49.70**

Ageing of Trade Payables for the year ended 31st March, 2023

Rs in '000

Particulars	Unbilled	Not due	Outstanding for the following periods from the due date				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade payables							
Micro enterprises and small enterprises	-	43.20	-	-	-	-	**43.20**
Others	-	6.50	-	-	-	-	**6.50**
Disputed trade payables							
Micro enterprises and small enterprises	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	-	**49.70**	-	-	-	-	**49.70**

Note: Ageing has been considered from the due date

The information as required under Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by Auditors, is as follows:-

Particulars	As at March 31, 2023
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-
Further interest remaining due and payable for earlier years	-

7. Equity share capital

Particulars	Rs in '000 As at March 31, 2023
Authorised Share capital :	
50,000 fully paid equity shares of ` 10 each	500.00
(Previous year Nil)	
	500.00
Issued, subscribed and paid-up share capital:	
50,000 fully paid equity shares of ` 10 each	
(Previous year Nil)	500.00
	500.00

Rights, preferences and restrictions attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes:

1 Fully paid equity shares

Particulars	Number of shares	Share Capital Rs. in '000
Balance as at the year end	**50,000**	**500.00**

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

Particulars	Fully paid Equity shares As at March 31, 2023
Forbes & Company Limited	50,000.00
Total	**50,000.00**

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

Particulars	As at March 31, 2023	
	Number of shares held	% holding in the class of shares
Fully paid equity shares		
Forbes & Company Limited	**50,000.00**	**100.00**
Total	**50,000.00**	**100.00**

4 Details of shareholding of promoters

Name of the promoter	As at March 31, 2023	
	Number of shares held	% holding in the class of shares
Forbes & Company Limited	**50,000.00**	**100.00**
Total	**50,000.00**	**100.00**

8. Other equity

Particulars	Rs in '000 As at March 31, 2023
a) Reserves and surplus	
Retained earnings	
Balance at beginning of the year	**-**
Profit for the year	**(117.50)**
Balance at end of the year	**(117.50)**

Description of Reserves Retained Earnings:
Retained earnings - represent the amount of accumulated earnings of the Company

General reserve: - The Company created a General Reserve in earlier years pursuant to the provisions of the Companies Act,1956 where in certain percentage of profits was required to be transferred to General Reserve before declaring dividends. As per Companies Act 2013, the requirements to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the Company.

FORBES PRECISION TOOLS AND MACHINE PARTS LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED March 31, 2023

9. Other expenses

Particulars	Rs in '000 For the period ended March 31, 2023
Legal and professional charges	40.00
Rates and taxes (excluding taxes on income)	2.50
Auditors remuneration	
To Statutory Auditors	
i) For audit	75.00
ii) For reimbursement of expenses	-
Total	**117.50**

10. Income taxes

10.1 Income tax recognised in profit or loss

Rs in '000

Particulars	For the period ended March 31, 2023
For Continuing operations	
Current tax	
In respect of the current year	-
	-
Deferred tax	
In respect of the current year	-
	-
Total income tax expense recognised in the current year relating to continuing Operations	-

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

Profit before tax from total operations	**(117.50)**
Income tax expense calculated at 25.17% (2022-23: 25.17%)	**(29.57)**
Effect of expense that is non deductible in determining taxable profit	-
Effect of tax incentives and	-
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	-
Effect of income that is exempt from taxation	-
Effect on deferred tax assets due to change in tax rates	-
Impact of Capital Loss	-
Brought forward loss recognised based on the return of income filed for AY 2019-20	-
Others	**29.57**
Income tax expense recognised in the Statement of Profit and Loss	-

11. Earnings per share

Particulars	For the period ended March 31, 2023
Profit for the year (After exceptional items) (Rs in Thousand) (A)	**(117.50)**
Profit for the year (Before exceptional items) (Rs in Thousand) (B)	**(117.50)**
Weighted average number of equity shares for the purposes of basic/ diluted earnings per share (C)	**50,000.00**
Basic/ Diluted Earnings per equity share (After exceptional items) D=(A/C) (Rs.)	**(2.35)**
Basic/ Diluted Earnings per equity share (Before exceptional items) E=(B/C) (Rs.)	**(2.35)**

12. Financial Instruments

12.1 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 total equity of the Company.

The Company determines the amount of capital required on the basis of annual as well as long term operating plans and other strategic investment plans. The funding requirements are met through non convertible debt securities or other long-term /short-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

The capital components of the Company are as given below:	Rs in '000 As at March 31, 2023
Total Equity	**382.50**
Cash and Cash equivalents	500.00
Net Debt	**(500.00)**
Debt Equity ratio	-
Debt Equity Ratio = Total Debt / Total Equity	

12.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

Ratios	Numerator	Denominator	As at March 31, 2023
Current Ratio	Current assets	Current liabilities	4.07
Debt-Equity Ratio	Total debt	Total equity	0.00
Debt Service Coverage Ratio	Earning for debt	Debt service	0.00
Return on Equity Ratio	Net profit after tax	Average shareholders equity.	-31%
Inventory turnover ratio	COGS	Average inventory	0.00
Trade Receivables turnover ratio	Credit sales	Average trade receivable	0.00
Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	0.00
Net capital turnover ratio	Credit sales	working capital	0.00
Net profit ratio	Net profit after tax	Revenue from operations	0%
Return on Capital employed	Earnings before interest and tax	capital employed	-31%
Return on investment	Earnings before interest and tax	Closing total assets	-23%

The Company was incorporated on August 30, 2022 and hence there are no corresponding figures of previous year & so variance is not calculated.

12.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

12.4 Credit risk management

Trade receivables

Trade receivables are generally unsecured and are derived from revenue earned from customers. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix and forward-looking information and an assessment of the credit risk over the expected life of the financial asset to compute the expected credit loss allowance for trade receivables. Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

12.5 Liquidity Risk

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

Rs in '000

	As at March 31, 2023			
Maturities of Financial Liabilities as at the Balance Sheet date	**Upto 1 year**	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Trade Payables	6.50	-	-	-
Other Financial Liabilities	118.20	-	-	-
	124.70	**-**	**-**	**-**

12.6 Categories of Financial Instruments: Rs in '000

	As at March 31, 2023		
	FVTPL	**FVTOCI**	**Amortised Cost**
Financial Assets			
Cash and Bank Balances	-	-	500.00
Other Financial Assets	-	-	7.20
	-	**-**	**507.20**
Financial liabilities			
Trade Payables	-	-	6.50
Other Financial Liabilities	-	-	118.20
	-	**-**	**124.70**

13. Related Party Disclosures

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

	Nature of Relationship	Name of Entity
A	Holding Company	Forbes & Company Limited
B	Key Managerial Persons:	Nirmal Chandmal Jagawat (Director) Ravinder Chander Prem (Director) Rupa Pawan Khanna (Director)

Current Period

(b) transactions / balances with above mentioned related parties

		A Forbes & Company Ltd.
	Nature of Transaction	
	Balances	
1	Trade Payables	6.50
	Transactions	
	Other Receipts / Payments	
1	Reimbursement of Expenses	6.50
	Finance	
1	Equity Investment	500.00

Terms and conditions:-
a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties.

In terms of our report of even date
For Sharp & Tannan Associates

Parthiv S. Desai
Partner
Membership No.: 042624

Date:
Mumbai

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date:
Mumbai

14 The Board of Directors of the Forbes Precision Tools and Machine Parts Limited in the meeting dated 26th September, 2022 have approved the Scheme of Arrangement ("Scheme") between the Forbes & Company Limited ("FCL" or the "Demerged Company") and Forbes Precision Tools and Machine Parts Limited ("FPTL" or the "Resulting Company") and their respective shareholders under Section 230 to 232 of the Companies Act, 2013 and other applicable provisions and the Rules framed thereunder. This Scheme is a Scheme of Arrangement involving demerger of "Precision Tools business" of the Forbes & Company Lmited into Forbes Precision Tools and Machine Parts Limited.

The Scheme is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, Shareholders and Creditors of the Forbes & Company Limited, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required.

The relevant documents for obtaining approval under Regulation 37 of the SEBI Listing Regulations are submitted to the Designated Stock Exchange by Forbes & Company Limited.

The Appointed date of the scheme is 1st April 2023.
Forbes Precision Tools and Machine Parts Limited has been incorporated on 30th August 2022 as a wholly owned subsidiary of the Forbes & Company Limited.

15 Additional Regulatory Information as per Schedule III of the Division II of the Companies Act, 2013

i) The Company do not have any benami property, where any proceeding has been initiated or pending against the group for holding any benami property.

ii) The Company do not have any transactions with companies struck off

iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

iv) 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 hike to or on behalf of the Ultimate Beneficiaries

v) The Company have 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 hike to or on behalf of the Ultimate Beneficiaries

vi) The Company have not 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)

vii) The Company was incorporated on August 30, 2022 and hence the financial statements have been prepared from the date of incorporation to till March 31, 2023. This being first financial statement there are no corresponding figures of previous year.

In terms of our report of even date

For Sharp & Tannan Associates

Chartered Accountants
Firm's Registration No.: 109983W

Parthiv S. Desai
Partner
Membership No.: 042624

Date: 16/05/2023
Mumbai

For and on behalf of the Board of Directors

Nirmal Chandmal Jagawat
Director
DIN : 01854117

Ravinder Chander Prem
Director
DIN :07771465

Rupa Pawan Khanna
Director
DIN :09721876

Date: 16/05/2023
Mumbai