**ANNEXURES TO THE NOTICE OF MEETINGS
OF THE SECURED CREDITORS/UNSECURED CREDITORS CONVENED IN
ACCORDANCE WITH THE ORDER OF NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH IN
RESPECT OF COMPOSITE SCHEME OF ARRANGEMENT BETWEEN AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED,
EURO FORBES FINANCIAL SERVICES LIMITED, EUREKA FORBES LIMITED, FORBES & COMPANY LIMITED AND
FORBES ENVIRO SOLUTIONS LIMITED**

The notice & explanatory statement of the meeting, issued Pursuant to Sections 230 to 232 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamation) Rules, 2016 (Page nos. A-1 to A-43) and Annexure A to Annexure M-1 (Page nos. B-1 to B-478) constitute a single and complete set of documents and should be read together as they form an integral part of this document.

COMPOSITE 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

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED
(“ATPL” or “Transferor Company 1” for Part II of the Scheme)

AND

EURO FORBES FINANCIAL SERVICES LIMITED
(“EFFSL” or “Transferor Company 2” for Part II of the Scheme)

AND

EUREKA FORBES LIMITED
(“EFL” or “Transferee Company 1” for Part II of the Scheme or “Transferor Company 3” for Part III of the Scheme)

AND

FORBES & COMPANY LIMITED
(“FCL” or “Transferee Company 2” for Part III of the Scheme or “Demerged Company” for Part IV of the Scheme)

AND

FORBES ENVIRO SOLUTIONS LIMITED
(“FESL” or “Resulting Company” for Part IV of the Scheme)

AND

THEIR RESPECTIVE SHAREHOLDERS

A. PREAMBLE

This Composite 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:

- Amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL" or "the Transferor Company 1" for Part II of the Scheme) and Euro Forbes Financial Services Limited ("EFFSL" or "the Transferor Company 2" for Part II of the Scheme) with and into Eureka Forbes Limited ("EFL" or "the Transferee Company 1" for Part II of the Scheme or "the Transferor Company 3" for Part III of the Scheme) (hereinafter referred to as "Part II of the Scheme"); and

- Upon Part II of the Scheme becoming effective, Amalgamation and vesting of EFL with and into Forbes & Company Limited ("FCL" or "Transferee Company 2" for Part III of the Scheme or "Demerged Company" for Part IV of the Scheme) (hereinafter referred to as "Part III of the Scheme"); and

- Upon Part III of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (hereinafter defined) of FCL into Forbes Enviro Solutions Limited ("FESL" or "Resulting Company" for Part IV of the Scheme), on a going concern basis (hereinafter referred to as "Part IV of the Scheme"),

  in the present form or with such alterations / modifications, as may be approved or imposed or directed by National Company Law Tribunal ("NCLT").

B. DESCRIPTION OF COMPANIES

Aquaignis Technologies Private Limited ("ATPL" or "the Transferor Company 1" for Part II of the Scheme) was incorporated in the state of Uttarakhand, i.e. within the jurisdiction of Registrar of Companies Uttarakhand on 1st November, 2012 and has Corporate Identity Number U31908MH2012PTC331823. The Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 and having PAN AALCA0739N and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

Euro Forbes Financial Services Limited ("EFFSL" or "the Transferor Company 2" for Part II of the Scheme) was incorporated in the state of Maharashtra on 7th March, 2011 and has Corporate Identity Number U67190MH2011PLC214424. The Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN AACCE7797B and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

Eureka Forbes Limited ("EFL" or "the Transferee Company 1" for Part II of the Scheme or "the Transferor Company 3" for Part III of the Scheme), was incorporated in the state of West Bengal in the name and style 'M/s Samuel Osborn (India) Limited on 5th February, 1931. On 12th April, 1982, name of the Company was changed to its current name 'Eureka Forbes Limited'. The Registered Office of the Company was shifted from the State of West Bengal to the State of Maharashtra w.e.f. 21-01-2021 and is now situated at B1/B2, 701, 7th Floor, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013. The Company has Corporate Identity Number - U27109MH1931PLC353890, PAN - AAACE5767F and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

Forbes & Company Limited ("FCL" or "Transferee Company 2" for Part III of the Scheme and "Demerged Company" for Part IV of the Scheme), was incorporated in the State of Maharashtra on 18th November, 1919 as 'The Gokak Mills Limited' under the Indian Companies Act, 1913. Thereafter, in terms of Section 21 of the Companies Act 1956, 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 pankaj.khattar@forbes.co.in.

Forbes Enviro Solutions Limited ("FESL" or "Resulting Company" for Part IV of the Scheme), was incorporated as a public limited company in the State of Maharashtra on 26th November 2008 as 'Forbes Water Limited'. On 4th August, 2009, name of the Company changed to its current name 'Forbes Enviro Solutions Limited'. It has Corporate Identity Number U27310MH2008PLC188478. The Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN AABCF3759R and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

C. RATIONALE OF THE SCHEME

1. Background

Aquaignis Technologies Private Limited, a company in which EFL holds 100% stake, is, inter-alia, engaged in manufacturing of electric water purifiers. The manufacturing facilities are situated at Lal Tappar Industrial Area in the state of Uttarakhand.

Euro Forbes Financial Services Limited, a company in which EFL holds 100% stake. Currently, there are no operations being carried out in Euro Forbes Financial Services Limited.

Eureka Forbes Limited, a company in which FCL holds 100% stake, is inter-alia engaged in manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc.

Forbes & Company Limited, a company listed on the Stock Exchange, is a company engaged in the business of providing engineering services, which primarily includes products such as threading tools and carbide tools. It is also engaged in real-estate activities of developing properties under real estate projects.

Forbes Enviro Solutions Limited, a wholly owned subsidiary of Eureka Forbes Limited, has main objects of the business of manufacturing of RO systems, Water Treatment Plants (WTP), Sewage Treatment Plants (STP), Effluent Treatment Plant (ETP) and AMC Contracts, trading of spares and drinking water (PDW).

All the companies are part of Shapoorji Pallonji Group ("SP Group").

2. Rationale for the Scheme

2.1. Part II of the Scheme of Arrangement would facilitate as under:

(a) EFL owns 100% of the equity share capital in ATPL and EFFSL and all the companies are part of Shapoorji Pallonji Group ("SP Group").

(b) ATPL is engaged in business complementary to the business of EFL and Merger of ATPL into EFL would benefit EFL in expansion of water purifier business with reduction in administrative costs in addition to consolidation and simplification of group structure. Currently, no business operations are carried out in EFFSL and accordingly, Merger of EFFSL into EFL would benefit simplification and consolidation of group structure and facilitate management in achieving administrative efficiency at SP Group level.

2.2. Part III and Part IV of the Scheme would facilitate as under:

(a) FCL and EFL are companies belonging to the SP Group. FCL owns 100% share capital of EFL, and EFL in turn holds 100% of the share capital of ATPL, EFFSL and FESL.

(b) Both FCL and EFL, are also operating companies engaged into varied businesses. The nature of risk, competition, challenges, opportunities and business methods for the business carried on by EFL is separate and distinct from the business carried on by FCL. The business carried on by FCL and EFL are capable of attracting separate set of investors, strategic partners, lenders and other stakeholders. There is also a difference in the manner in which the business of FCL and EFL are required to be handled and managed. In order to lend greater / enhanced focus to the operations of the business of EFL, it is proposed to re-organize / restructure the group structure via this Scheme.

2.3. The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in the following benefits:

i. Consolidation and simplification of group structure and reduction of administrative costs by Merger of ATPL and EFFSL into EFL and EFL into FCL;

ii. Segregation of business of EFL into FESL in the manner provided in this Scheme;

iii. Unlock the value for the shareholders of FCL by listing of the shares of FESL;

iv. Allowing managements of the each of FCL and FESL/EFL to pursue independent growth strategies;

v. 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;

vi. Provide scope of separate companies for independent collaboration and expansion.

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.

D. PARTS OF THE SCHEME

This Scheme is divided into the following parts:

Part I deals with the definitions of the terms used in this Scheme and the Share Capital;

Part II deals with Amalgamation and vesting of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited with and into Eureka Forbes Limited;

Part III deals with Amalgamation and vesting of Eureka Forbes Limited (upon Part II of the Scheme becoming effective) with and into Forbes & Company Limited;

Part IV deals with Demerger and vesting of Demerged Undertaking (hereinafter defined) of Forbes & Company Limited (upon Part III of the Scheme becoming effective) into Forbes Enviro Solutions Limited, on a going concern basis and simultaneous name change of FESL to EFL; and

Part V deals with the General Terms and Conditions.

E. SEQUENCE OF EFFECTIVENESS OF THE SCHEME

Upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the order mentioned hereunder:

(a) Part II which provides for Amalgamation and vesting of Aquaignis Technologies Private Limited and Euro Forbes Financial Services Limited with and into Eureka Forbes Limited, shall be operative prior to coming effect of Part III; and

(b) Part III which provides for Amalgamation and vesting of Eureka Forbes Limited (upon Part II of the Scheme becoming effective) with and into Forbes & Company

Limited, shall be operative prior to coming effect of Part IV; and

(c) Part IV which provides for Demerger and vesting of Demerged Undertaking (hereinafter defined) of Forbes & Company Limited (upon Part III of the Scheme becoming effective) into Forbes Enviro Solutions Limited, on a going concern basis shall take effect immediately after coming into effect of Part III of the Scheme.

F. 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 “Amalgamation” and “Demerger” as defined under section 2(1B) and 2(19AA) of the Income Tax Act, 1961, respectively. 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(1B) and 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(1B) and 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(1B) and 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. **"Amalgamation" or "Merger"** means amalgamation/merger of ATPL and EFFSL into EFL and amalgamation/merger of EFL into FCL in accordance with provisions of Section 2(1B) of the Income Tax Act, 1961.

1.3. **"Appointed Date"** means the 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.

1.4. **"ATPL" or "Transferor Company 1"** means Aquaignis Technologies Private Limited having its Corporate Identity Number as U31908MH2012PTC331823, the Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 and having PAN – AALCA0739N and Email ID of its authorised representative is dshinde@eurekaforbes.co.in.

1.5. **"Board of Directors" or "Board"** means the Board of Directors of ATPL, EFFSL, EFL, FCL and FESL, as the case may be, and shall include a duly constituted committee thereof.

1.6. **"Demerger"** means the transfer by way of demerger in accordance with the provisions of Section 2(19AA) of the Income Tax Act, 1961 of the Demerged Undertaking into FESL.

1.7. **"Effective Date"** means the last of the dates on which the conditions specified in Clause 41 are complied with. Any references in this Scheme to the date of "coming into effect of this scheme" or "effectiveness of this scheme" or "Scheme taking effect" shall mean the Effective Date.

1.8. **"EFL" or "Transferee Company 1"** or "Transferor Company 3" means Eureka Forbes Limited. The Registered Office of the Company was shifted from the State of West Bengal to the State of Maharashtra w.e.f. 21-01-2021 and is now situated at B1/B2, 701, 7th Floor, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013. The Company has Corporate Identity Number - U27109MH1931PLC353890, PAN - AAACE5767F and email ID of its authorised representative is dshinde@eurekaforbes.co.in.

1.9. **"EFFSL"** or "Transferor Company 2" means Euro Forbes Financial Services Limited having its Corporate Identity Number as U67190MH2011PLC214424, the Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN – AACCE7797B and Email ID of its authorised representative is dshinde@eurekaforbes.co.in.

1.10. **"Encumbrance"** means any options, pledge, mortgage, lien, security, interest, claim, charge, pre-emptive right, easement, limitation, attachment, restraint or any other encumbrance of any kind or nature whatsoever, and the term "Encumbered" shall be construed accordingly.

1.11. **"FCL"** or "Transferee Company 2" or "Demerged Company" means Forbes & Company Limited having its Corporate Identity Number as L17110MH1919PLC000628, the Registered Office is situated at Forbes Building, Charanjit Rai Marg, Fort Mumbai 400001 and having PAN AAACF1765A and Email ID of its authorised representative is pankaj.khattar@forbes.co.in

1.12. **"FESL"** or "Resulting Company" means Forbes Enviro Solutions Limited having its Corporate Identity Number as U27310MH2008PLC188478, the Registered Office is situated at B1/B2, 7th Floor, 701, Marathon Innova, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013 and having PAN – AABCF3759R and Email ID of its authorised representative is dshinde@eurekaforbes.co.in.

1.13. "Governmental Authority" means any applicable Central, State or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction and shall include any other authority which supersedes the existing authority.

1.14. "Health, Hygiene, Safety Products and Services Undertaking or Health and Safety Solutions Undertaking" or "Demerged Undertaking" shall mean the business of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system, air-conditioners and all kinds of electrical & non electrical appliances etc. which is being carried on by Eureka Forbes Limited at present as a going concern (and which shall vest with FCL as a result of Part III of this Scheme becoming effective), all its assets, rights, licenses and powers, and all its debts, outstanding, liabilities, duties, obligations and employees as on the Appointed Date including, but not limited to, the following:

(a) All the assets and properties whether movable or immovable (as per Annexure 1), tangible or intangible, real or personal, in possession or reversion, corporeal or incorporeal, present, future or contingent pertaining to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective), whether situated in India or abroad, including, but not limited to all the interests, of whatever nature and wheresoever situated, plant and machinery, freehold land, leasehold land, tenancy rights, if any, buildings and structures, offices, residential and other premises, capital work in progress, development capital work in progress, furniture, fixtures, office equipment, appliances, accessories, power lines, depots, deposits, all stocks, assets, investments of all kinds including shares (including but not limited to equity shares/

preference shares in subsidiaries/joint ventures in India or outside India (as per Annexure 2, unless sold, liquidated or otherwise disposed off prior to the Scheme becoming effective), but excluding any and all investments, interests and exposure in FESL, FFSPL, Forbes Concept Hospitality Services Private Limited ("FCHSPL") and the Lux Group, investment in scrips, stocks, bonds, debenture stock, units or pass through certificates, cash balances with banks, loans, advances, contingent rights or benefits, receivables, benefit of any deposits, financial assets, leases, and hire purchase contracts and assets, lending contracts, benefit of any security arrangements, reversions, powers, authorities, allotments, approvals, permits and consents, quotas, rights, entitlements, contracts including the joint operating agreements/operating agreement, unencumbered ownership of right, title and interest in relation to the trademark "Forbes" in classes 7, 11 and 21 held by EFL and FCL (provided that this shall not include the right to use the trademark "Forbes" in relation to 3D printing, medical implants, ventilators, electric vehicles, machine and machine tools, motors and engines, machine coupling and transmission components, such other existing products of FCL as may be agreed in writing by, amongst others, the Board of FCL and FESL), licenses (industrial and otherwise), municipal permissions, tenancies in relation to the office and/or residential properties for the employees or other persons, guest houses, godowns, warehouses, leases, licenses, fixed and other assets, benefits of assets or properties or other interest held in trust, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights including, title, interests, other benefits (including Tax benefits) and advantages of whatsoever nature and wheresoever 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 EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) relating to its business, authorisations, permits, approvals, rights to use and avail of telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, computer software, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or relating to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) in each case, whether in India or abroad other than the investments and assets pertaining to the Lux Group, FESL, FFSPL and FCHSPL and other than any right, title and interest in relation to the trademark "Forbes' in the classes set out in Annexure 4. Notwithstanding anything contained in this Scheme, it is hereby clarified that all the assets of the Demerged Undertaking which shall vest with FESL by virtue of the Scheme shall be transferred free and clear of from any and all Encumbrances pertaining to or in connection with the business of FCL other the Demerged Undertaking.

For the purpose of this clause and the Scheme, Lux Group shall mean investments by EFL, including in equity shares and preference shares, stock and other securities or by way of loans and advances (including outstanding interest), and all amounts, including corporate guarantees (including any recoverable amount upon invocation of corporate guarantees, if any), contingent liabilities, trade payables and trade receivables, in each case, pertaining to the companies mentioned as per Annexure 3.

(b) All agreements, rights, contracts, entitlements, licenses, permits, permissions, incentives, approvals, registrations, Tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges and claims as to any patents, trademarks, designs, quotas, rights, engagements, arrangements, authorities, allotments, security arrangements, benefits of any guarantees, reversions, powers and all other approvals of every kind, nature and description whatsoever relating to the EFL's (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) business activities and operations.

(c) All intellectual property rights including but without being limited to trade and service names and marks, patents, copyrights, know-how, technical know-how, franchise and other intellectual property rights of any nature whatsoever, engineering and process information, software licenses (whether proprietary or otherwise), drawings, records, files, books, papers, computer programmes, manuals, data, catalogues, sales and advertising material, lists of present and former customers and suppliers, customer credit information, customer pricing information, other customer information and all other records and documents, whether in physical or electronic form, relating to the business activities and operations of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective).

(d) Amounts claimed in respect of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective), if any, whether or not so recorded in the books of account of the EFL from any Governmental Authority, under any law, act, scheme or rule, as refund of any Tax, duty, cess or of any excess payment.

(e) Rights to any claim not preferred or made by EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) in respect of any refund of Tax, duty, cess or other charge, including any erroneous or excess payment thereof made by EFL and any interest thereon, if any, under any law, act, rule or scheme, and in respect of set-off, carry forward of un-absorbed losses, deferred revenue expenditure, deduction, exemption, rebate, allowance, MAT credit, CENVAT/ GST input credit, amortization benefit, etc. whether under the Income Tax Act, 1961, the rules and regulations thereunder, or Tax Laws of other countries, or any other or like benefits under the said acts or under and in accordance with any law or act, whether in India or anywhere outside India.

(f) All debts (secured and unsecured), liabilities including contingent liabilities, duties, leases of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) and all other obligations of whatsoever kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized, in each case, other than any and all debts (secured and unsecured), liabilities, payables, obligations or claims pertaining to the Lux Group, FESL, FFSPL and FCHSPL. Provided that if there exists any reference in the security documents or arrangements entered into by EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) under which the assets of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) stand offered as a security for any financial assistance or obligation, the said reference shall be construed as a reference to the assets pertaining to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) vested in FESL by the virtue of the Scheme.

(g) All other obligations of whatsoever kind, including liabilities of EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective) with regard to their employees, or the employees of any of their subsidiaries, with respect to the payment of gratuity, pension benefits and the provident fund or other compensation or benefits, if any, whether in the event of resignation, death, voluntary retirement or retrenchment or otherwise;

(h) All permanent and temporary employees engaged by EFL at various locations as on the Effective Date.

(i) All legal or other proceedings of whatsoever nature that pertain to EFL (and which shall vest with FCL as a result of Part III of this Scheme becoming effective).

It is hereby clarified that where any question that may arise as to whether a specific asset, whether tangible or intangible or liability or contracts or employee, pertains or does not pertain to the Demerged Undertaking, if any, or whether it arises out of the activities or operations of the Demerged Undertaking, if any, shall be mutually decided by the Boards of FCL and FESL, or any committee constituted thereof.

1.15. **“NCLT”** means the National Company Law Tribunal(s) having jurisdiction over ATPL, EFFSL, EFL, FCL and FESL.

1.16. **“Record Date”** shall mean the date to be fixed by the Board of Directors of FESL and FCL for the purpose of issue of shares of FESL to the shareholders of the FCL.

1.17. **“Remaining Business”** means all the undertakings, businesses, activities, operations, assets and liabilities of FCL other than those comprised in the Demerged Undertaking.

1.18. **“Scheme” or “the Scheme”** or “this Scheme” means this Composite Scheme of Arrangement, in its present form as submitted to the NCLT for approval, with or without any modifications pursuant to clause 40 of this Scheme, as may be approved or imposed or directed by the NCLT or any other appropriate authority.

1.19. **“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;

1.20. **“Stock Exchange”** means BSE Limited.

1.21. **“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 ATPL, EFFSL, EFL, FCL and FESL, as the case may be, or any other person and all penalties , charges, costs and interest relating thereto;

1.22. **“Tax Laws”** means all the applicable laws, acts, rules and regulations dealing with Taxes including but not limited to the any tax liability under the Income-tax Act, 1961, Customs Act 1962, Central Excise Act, 1944, Goods and Services Tax Act, 2017, State Value Added Tax laws, Central Sales Tax Act, 1956 or other applicable laws/ regulations dealing with taxes/ duties/ levies of similar nature;

1.23. **“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 ATPL as on 31st March, 2020 is as under –

Share Capital	**Amount (INR)**
Authorized Share Capital	
75,00,000 Equity Shares of INR 10 each	7,50,00,000
TOTAL	**7,50,00,000**
Issued, subscribed and paid-up Share Capital	
58,55,734 Equity Shares of INR 10 each	5,85,57,340
TOTAL	**5,85,57,340**

There is no change in the authorised, issued, subscribed and paid-up share capital of ATPL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of

ATPL on 8th September, 2020. Entire share capital of ATPL is held by EFL.

2.2. The share capital structure of EFFSL as on 31st March, 2020 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 EFFSL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of EFFSL on 8th September, 2020. Entire share capital of EFFSL is held by EFL.

2.3. The share capital structure of EFL as on 31st March, 2020 is as under –

Share Capital	**Amount (INR)**
Authorized Share Capital	
2,05,00,000 Equity Shares of INR 10 each	20,50,00,000
TOTAL	**20,50,00,000**
Issued, subscribed and paid-up Share Capital	
37,78,000 Equity Shares of INR 10 each	3,77,80,000
TOTAL	**3,77,80,000**

There is no change in the authorised, issued, subscribed and paid-up share capital of EFL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of EFL on 8th September, 2020. Entire share capital of EFL is held by FCL.

2.4. The share capital structure of FCL as on 31st March, 2020 is as under –

Share Capital	**Amount (INR)**
Authorized Share Capital	
1,50,00,000 Equity Shares of INR 10 each	15,00,00,000
TOTAL	**15,00,00,000**
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 FCL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of FCL on 8th September, 2020.

2.5. The share capital structure of FESL as on 31st March, 2020 is as under –

Share Capital	**Amount (INR)**
Authorized Share Capital	
50,00,000 Equity Shares of INR 10 each	5,00,00,000
TOTAL	**5,00,00,000**
Issued, subscribed and paid-up Share Capital	
48,27,263 Equity Shares of INR 10 each	4,82,72,630
TOTAL	**4,82,72,630**

There is no change in the authorised, issued, subscribed and paid-up share capital of FESL from 31st March, 2020 till the date of approval of the scheme by the Board of Directors of FESL on 8th September, 2020. Entire share capital of FESL is held by EFL.

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 defined in Section 232(6) of the Act in terms of clause 1.3 mentioned above.

PART II

AMALGAMATION AND VESTING OF AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED AND EURO FORBES FINANCIAL SERVICES LIMITED WITH AND INTO EUREKA FORBES LIMITED

4. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF ATPL AND EFFSL WITH AND INTO EFL

4.1 With effect from the Appointed Date and upon the Scheme becoming effective, ATPL and EFFSL as going concerns, along with all their assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of ATPL and EFFSL shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in EFL as a going concern so as to become as and from the Appointed Date, the undertaking of EFL by virtue of and in the manner provided in this Scheme.

4.2 Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

a) All the properties and assets of ATPLand EFFSL respectively, whether movable, immovable tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and Tax credits, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of EFL.

b) All the movable assets of ATPL and EFFSL respectively, or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to EFL to the end and intent that the property therein passes to EFL on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of EFL accordingly.

c) All other movable properties of ATPL and EFFSL, respectively, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of EFL, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of EFL. All investments of ATPL and EFFSL shall be recorded in the name of EFL by operation of law as transmission in favour of EFL as a successor in interest and any documents of title in the name of ATPL and EFFSL shall also be deemed to have been mutated and recorded in the name of EFL to the same extent and manner as originally held by ATPL and EFFSL respectively and enabling the ownership, right, title and interest therein as if EFL was originally ATPL and EFFSL. EFL shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

d) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of ATPL and EFFSL, as the case may be, shall stand vested in or transferred automatically to EFL without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of EFL as if the same were originally given by, issued to executed in favour of EFL and EFL shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to EFL. The benefit of all statutory and regulatory permissions including the statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of ATPL and EFFSL shall automatically and without any other order to this effect, vest into and become available to EFL pursuant to this Scheme becoming effective in accordance with the terms thereof.

e) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted on behalf of ATPL and EFFSL, etc.), liabilities, and obligations of ATPL and EFFSL, respectively, as on the Appointed Date, whether provided for or not, in the books of accounts of ATPL and EFFSL, respectively, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by EFL, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of EFL on the same terms and conditions as were applicable to ATPL and EFFSL, respectively.

f) EFL, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which ATPL and EFFSL, respectively has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.

g) In so far as loans and borrowings of ATPL and EFFSL, respectively pertaining to the loans and liabilities, which are to be vested to EFL shall, without any further act or deed, become loans and borrowings of EFL, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against EFL as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of EFL.

h) The vesting of the assets comprised in ATPL and EFFSL, respectively, to EFL under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

i. The securities, mortgages, charges, Encumbrances or liens, if any, created by ATPL and EFFSL, respectively, if any, after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in ATPL and EFFSL, respectively, or any part thereof, shall be vested in EFL by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with EFL, and such Encumbrances shall not relate or attach to any of the other assets, of ATPL and EFFSL, respectively.

ii. In so far as the existing Encumbrances of ATPL and EFFSL, respectively, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in ATPL and EFFSL, respectively which have been Encumbered in respect of the transferred liabilities as transferred to EFL pursuant to this Scheme. Provided that if any of the assets comprised in ATPL and EFFSL, respectively, which are being transferred to EFL pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

iii. In so far as the existing securities, if any in respect of the loans or borrowings of ATPL and EFFSL, respectively and other liabilities relating to ATPL and EFFSL are concerned, such securities shall, without any further act, instrument or deed be continued with EFL. ATPL and EFFSL, as the case may be, and EFL shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

iv. The foregoing provisions insofar as they relate to the vesting of liabilities with EFL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

i) With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to ATPL and EFFSL, as the case may be, is a party, or the benefit to which ATPL and EFFSL may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect be transferred in favour of EFL and may be enforced fully and effectively as if instead of ATPL and EFFSL, as the case may be, EFL had been a party or beneficiary thereto, so as to enable continuation of operations of ATPL and EFFSL, respectively by EFL without any hindrance or disruption after the Transition period. EFL shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any agreement, confirmations or novation's to which ATPL and EFFSL will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, EFL shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of ATPL and EFFSL and and to implement or carry out all formalities required on the part of ATPL and EFFSL to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to ATPL and EFFSL or whether it arises out of the activities or operations of ATPL and EFFSL shall be decided by the Board of ATPL and EFFSL, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.

j) With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to ATPL and EFFSL shall stand vested in and/or be deemed to have been vested in EFL together with all benefits and entitlements of any nature whatsoever. Such benefits and entitlements shall include Tax benefits under Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to ATPL and EFFSL to be claimed by EFL with effect from the Appointed Date as if EFL were originally entitled to all such benefits and entitlements under such scheme and/or policies, subject to continued compliance by EFL of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to ATPL and EFFSL. EFL shall be entitled to such benefits and entitlements in its name, without any additional liabilities or expenses whatsoever.

k) Taxes as per Tax Laws of ATPL and EFFSL to the extent not provided for or covered by Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to ATPL and EFFSL shall be vested with EFL.

l) All Taxes paid or payable by ATPL and EFFSL in respect of the operations and/ or the profits of ATPL and EFFSL before the Appointed Date shall be on account of ATPL and EFFSL and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by ATPL and EFFSL, respectively in respect of the profits or activities or operations of ATPL and EFFSL after the Appointed Date, the same shall be deemed to be the corresponding item paid by EFL and shall in all proceedings be dealt with accordingly.

m) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other Tax credit certificate relating to ATPL and EFFSL is received in the name of ATPL and EFFSL, it shall be deemed to have been received by EFL, which alone shall be entitled to claim credit for such Tax deducted or paid.

n) Upon the Scheme becoming effective, ATPL, and EFFSL shall have right to revise their respective returns filed under Tax Laws. along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;

o) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to ATPL and EFFSL, if any, shall stand vested in EFL as if the transaction giving rise to the said balance or credit was a transaction carried out by EFL. The liabilities of ATPL and EFFSL as on the Appointed Date shall stand vested in EFL, save as otherwise in respect of the liabilities which were met by ATPL and EFFSL during the Transition period, which shall be construed to have been met by EFL as if the transaction giving rise to the said liability was a transaction carried out by EFL.

p) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to ATPL and EFFSL, to which ATPL and EFFSL is a party or to the benefit of which ATPL and EFFSL may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of EFL and may be enforced as fully and effectually as if instead of ATPL and EFFSL, EFL had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to ATPL and EFFSL, to which ATPL and EFFSL is a party or to the benefit of which ATPL and EFFSL may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of ATPL and EFFSL and after the Appointed Date, the same shall be on account of EFL and shall, in all proceedings, be dealt with accordingly.

q) If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to ATPL and EFFSL owns or to which ATPL and EFFSL is a party to, cannot be transferred to EFL for any reason whatsoever, ATPL and EFFSL shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FCL, insofar as it is permissible so to do, till such time as the transfer is affected.

r) On and from the Effective Date, and till such time that the name of the bank accounts of ATPL and EFFSL has been replaced with that of EFL, EFL shall be entitled to maintain and operate the bank accounts of the ATPL and EFFSL in the name of ATPL and EFFSL respectively and for such time as may be determined to be necessary by EFL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of ATPL and EFFSL after the Effective Date shall be accepted by the bankers of EFL and credited to the account of EFL, is presented by EFL;

s) It is hereby clarified that the vesting of ATPL and EFFSL in EFL shall be on a going concern basis.

5. STAFF, EMPLOYEES AND WORKERS

5.1 Upon the Scheme coming into effect, all staff, employees and workers of ATPL and EFFSL 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 EFL 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 EFL shall not be less favorable than those applicable to them in ATPL and EFFSL 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 EFL, relating to superannuation, provident fund and gratuity fund, and such other similar benefits, shall be identified, determined and vested with the respective trusts/funds of EFL viz. (i) Eureka Forbes Limited Staff Superannuation Scheme, (ii) Eureka Forbes Limited Employees' Gratuity Fund, and (iii) Eureka Forbes Limited Employees' Provident Fund (formerly Samuel Osborn (India) Limited Employees' Provident Fund and such staff, employees and workers shall be deemed to have become members of such trusts/funds of EFL. Until such time, EFL may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the staff, employees and workers of ATPL and EFFSL to the relevant funds of ATPL and EFFSL.

5.3 EFL, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to ATPL and EFFSL to which any of ATPL and EFFSL is a party in order to give formal effect to the provisions of the Scheme. EFL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of ATPL and EFFSL and to carry out or perform all such formalities or compliances, referred to above, on behalf of ATPL and EFFSL.

6. CHANGE IN OBJECT CLAUSE OF EFL

6.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of EFL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of ATPL and EFFSL, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of EFL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of EFL and shall read as under:

a. To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.

b. To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.

c. To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds."

6.2 For the purposes of amendment in the Memorandum of Association and Articles of Association of EFL as provided in this clause, the consent / approval given by the members of EFL to this Scheme under the Companies Act, 2013 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of EFL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of EFL and filing of the certified copy of this Scheme as sanctioned by the NCLT, and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai shall register the same and make the necessary alterations in the Memorandum of Association and Articles of Association of EFL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.

6.3 EFL shall file with the jurisdictional Registrar of Companies all requisite forms and complete the compliance and procedural requirements under the Act, if any.

7. LEGAL PROCEEDINGS

7.1 If any suit, appeal or other legal proceedings of whatsoever nature by or against ATPL and EFFSL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation 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 EFL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against ATPL and EFFSL as if this Scheme had not been made.

7.2 EFL undertakes to have all legal or other proceedings initiated by or against ATPL and EFFSL referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against EFL. .

7.3 After the Effective Date, EFL shall and may, if required, initiate any legal proceedings in relation to ATPL and EFFSL.

8. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF ATPL AND EFFSL:

8.1 The Amalgamation of ATPL and EFFSL and the continuance of the said proceedings by or against EFL shall not affect any transaction or proceedings already concluded by or against ATPL and EFFSL after the Appointed Date to the end and intent that EFL accepts and adopts all acts, deeds and things done or executed by ATPL and EFFSL 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.

9. CONSIDERATION

9.1 The entire share capital of the ATPL and EFFSL is held by EFL. In other words, ATPL and EFFSL are wholly owned subsidiaries of EFL. Accordingly, pursuant to this Scheme, no shares of EFL shall be issued and allotted in respect of shares held by it in ATPL and EFFSL respectively. Upon the Scheme becoming effective, the entire share capital of ATPL and EFFSL shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

9.2 The investment in the shares of the ATPL and EFFSL appearing in the books of account of EFL shall, without any further act, deed or instrument, stand cancelled.

10. ACCOUNTING TREATMENT

10.1. EFL shall account for amalgamation of ATPL and EFFSL in its books of accounts as per Appendix C to Ind AS 103, Business Combination of entities under common control, prescribed under the Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS"), as amended, as notified under Section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India.

10.2. All assets and liabilities of ATPL and EFFSL, shall be recorded in the books of accounts of EFL at their existing carrying amounts and in the same form in which they appeared in the consolidated financial statement of EFL.

10.3. The identity of the reserves pertaining to ATPL and EFFSL shall be preserved and shall appear in the merged financial statements of EFL in the same form in which they appeared in the consolidated financial statements of EFL and it shall be aggregated with the corresponding balance appearing in the financial statements of EFL.

10.4. To the extent that there are inter-company loans, deposits, obligations, balances or other outstanding including any interest thereon, as between the ATPL, EFFSL and EFL, the obligations in respect thereof shall come to an end and there shall be no liability in that behalf and corresponding effect shall be given in the books of account and records of EFL for the reduction of such assets or liabilities as the case may be.

10.5. Pursuant to the scheme becoming effective, no shares of EFL shall be issued and allotted in respect of shares held by it in ATPL and EFFSL and the investment in the shares of the ATPL and EFFSL appearing in the books of account of EFL shall stand cancelled.

10.6. The financial information in the financial statement of EFL in respect of prior period, would be restated as if the business combination had occurred from the beginning of preceding period in the financial statements, irrespective of the actual date of the combination.

11. INCREASE IN AUTHORISED SHARE CAPITAL OF EFL

11.1. Upon Scheme becoming effective, current authorized share capital of ATPL which is INR 7,50,00,000/- (Rupees Seven Crores Fifty Lakhs Only) comprising of 75,00,000 Equity Shares of INR 10/- each and current authorized share capital of EFFSL which is INR 5,00,000/- (Rupees Five Lakhs Only) comprising of 50,000 Equity Shares of INR 10/- each shall be consolidated with the authorized share capital of EFL, which is INR 20,50,00,000/- (Rupees Twenty Crores Fifty Lakhs Only) comprising of 2,05,00,000 Equity Shares of INR 10/- each and the same shall automatically stand increased, without any further act, instrument or deed on the part of EFL including payment of stamp duty and fees payable to Registrar of Companies, without any compliances in respect of the notices, meetings, etc but only by filing requisite statutory forms and/or any other documents as required with the Registrar of Companies. The filing fee and stamp duty already paid by ATPL and EFFSL respectively on its authorized share capital shall be deemed to have been so paid by EFL on the combined authorized share capital and accordingly, EFL shall not be required to pay any fee/stamp duty on the authorized share capital so increased.

11.2. Further, authorized share capital of EFL upon part II of the Scheme coming into effect shall be INR 28,05,00,000/- (Rupees Twenty Eight Crores Five Lakhs Only) classified as 2,80,50,000 equity shares of INR 10 each.

11.3. Consequently, the corresponding capital clause in the Memorandum of Association / Articles of Association of EFL, as applicable (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to be read as follows:

"The authorized share capital of the company is INR 28,05,00,000/- (Rupees Twenty-Eight Crores Five Lakhs Only) divided into 2,80,50,000 Equity Shares of INR 10/- each,"

11.4. For removal of doubts, it is clarified that the approval of the Scheme by the shareholders of Transferee Company 1 under sections 230 to 232 of the Act shall be deemed to be the sufficient approval under sections 13, 14, 61 and 64 of the Act and no separate procedure shall be followed under the Act, except filing of requisite forms to give effect to the increase.

12. CONDUCT OF BUSINESS

12.1. ATPL AND EFFSL, respectively as Trustee

a. With effect from the Appointed Date and up to and including Effective Date, ATPL and EFFSL shall carry on and shall be deemed to have carried on, respectively, all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of ATPL and EFFSL on account of and for the benefit of and in trust for, EFL, as EFL is taking over the business as going concern. ATPL and EFFSL shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of ATPL and EFFSL, respectively, or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if prior written consent of EFL has been obtained.

12.2. Profit or Losses up to Effective Date

a. With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to ATPL and EFFSL or all expenditure or losses incurred or arising, as the case may be, by ATPL and EFFSL shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of EFL.

12.3. Taxes

a. All Taxes paid or payable by ATPL and EFFSL in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of ATPL and EFFSL and in so far as it relates to the Tax payment by ATPL and EFFSL 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 EFL and shall in all proceedings be dealt with accordingly.

b. Any refund under any Tax Laws allocable or related to the business of ATPL and EFFSL and due to ATPL and EFFSL consequent to the assessment made on ATPL and EFFSL shall also belong to and be received by EFL.

c. All Tax benefits of any nature, duties, cesses or any other like payments or deductions available to ATPL and EFFSL under any Tax Laws up to the Effective Date shall be deemed to have been on account of or paid by EFL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to EFL upon the passing of the order by the NCLT.

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

13.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which ATPL and EFFSL is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of EFL and may be enforced as fully and effectively as if instead of ATPL and EFFSL, EFL was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that Amalgamation and vesting of ATPL and EFFSL occurs by virtue of this Scheme itself, EFL 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 ATPL and EFFSL is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. EFL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of ATPL and EFFSL and to carry out or perform all such formalities or compliances referred to above on the part of ATPL and EFFSL to be carried out or performed.

13.2. 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 ATPL and EFFSL shall stand transferred to EFL and EFL 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 EFL. EFL shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

14. MATTERS RELATING TO SHARE CERTIFICATES:

14.1. The Share Certificates held by EFL along with its nominee shareholders holding shares on behalf of EFL in respect of share capital of ATPL and EFFSL, respectively, shall automatically stand cancelled without any necessity of them being surrendered.

15. DISSOLUTION OF ATPL AND EFFSL

15.1. Upon the Scheme being sanctioned by an order made by the NCLT under Sections 230 to 232 of the Act and subject to the Effective Date, ATPL and EFFSL shall stand dissolved without winding up on the Effective Date.

PART III

AMALGAMATION AND VESTING OF EUREKA FORBES LIMITED INTO FORBES & COMPANY LIMITED

16. AMALGAMATION AND VESTING OF ASSETS AND LIABILITIES OF EFL WITH FCL

16.1. With effect from the Appointed Date and upon the Part II of the Scheme, EFL as a going concern, along with all assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of EFL shall, without any further act, instrument or deed, stand amalgamated with and be vested in or be deemed to have been vested in FCL as a going concern so as to become as and from the Appointed Date, the undertaking of FCL by virtue of and in the manner provided in this Scheme.

16.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

a) All the properties and assets of EFL, tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and Tax credits, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under Tax Laws, incentives, if any, without any further act or deed so as to become the business, properties and assets of FCL.

b) All the movable assets of EFL or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to FCL to the end and intent that the property therein passes to FCL on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of FCL accordingly.

c) All other movable properties of EFL, including investments in shares of the subsidiaries / joint ventures of EFL (as mentioned in Annexure 2), mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of FCL, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of FCL. All investments of EFL shall be recorded in the name of FCL by operation of law as transmission in favour of FCL as a successor in interest and any documents of title in the name of EFL shall also be deemed to have been mutated and recorded in the name of FCL to the same extent and manner as originally held by EFL and enabling the ownership, right, title and interest therein as if FCL was originally EFL. FCL shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

d) All immovable properties (including land together with the buildings (including factory buildings) and structures standing thereon) (as per Annexure 1) of EFL, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in FCL, without any act or deed done by EFL or FCL. FCL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, Taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to the immovable properties shall be made and duly recorded in the name of FCL by the appropriate authorities pursuant to the Scheme becoming effective in accordance with the terms hereof.

e) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of EFL, shall stand vested in or transferred automatically to FCL without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of FCL as if the same were originally given by, issued to executed in favour of FCL and FCL shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to FCL. The benefit of all statutory and regulatory permissions including the statutory or other licenses, Tax registrations, permits, permissions or approvals or consents required to carry on the operations of EFL shall automatically and without any other order to this effect, vest into and become available to FCL pursuant to this Scheme becoming effective in accordance with the terms thereof.

f) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted, etc on behalf of EFL), liabilities, and obligations of EFL, as on the Appointed Date, whether provided for or not, in the books of accounts of EFL, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by FCL, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, Taxes, duties and obligations of FCL on the same terms and conditions as were applicable to EFL.

g) FCL, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which EFL has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.

h) In so far as loans and borrowings of EFL pertaining to the loans and liabilities, which are to be vested to FCL shall, without any further act or deed, become loans and borrowings of FCL, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against FCL as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of FCL.

i) The vesting of the assets comprised in EFL, to FCL under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

   i. The securities, mortgages, charges, Encumbrances or liens, if any, created by EFL after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in EFL, or any part thereof, shall be vested in FCL by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with FCL, and such Encumbrances shall not relate or attach to any of the other assets, of EFL.

   ii. In so far as the existing Encumbrances of EFL, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in EFL which have been Encumbered in respect of the transferred liabilities as transferred to FCL pursuant to this Scheme. Provided that if any of the assets comprised in EFL, which are being transferred to FCL pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

   iii. In so far as the existing securities, if any in respect of the loans or borrowings of EFL and other liabilities relating to EFL are concerned, such securities shall, without any further act, instrument or deed be continued with FCL. EFL and FCL shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

   iv. The foregoing provisions insofar as they relate to the vesting of liabilities with FCL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

j) With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals (including but not limited to all the units and factories situated at various states in India (including at MIDC)), quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to EFL is a party, or the benefit to which EFL may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect be transferred in favour of FCL and may be enforced fully and effectively as if instead of EFL, FCL had been a party or beneficiary thereto, so as to enable continuation of operations of EFL by FCL without any hindrance or disruption after the Transition period. FCL shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any agreement, confirmations or novation's to which EFL will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, FCL shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of EFL and to implement or carry out all formalities required on the part of EFL to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to EFL or whether it arises out of the activities or operations of EFL shall be decided by the Board of EFL, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.

k) With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to EFL shall stand vested in and/or be deemed to have been vested in FCL together with all benefits and entitlements of any nature whatsoever. Such benefits and entitlements shall include Tax benefits under Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to EFL to be claimed by FCL with effect from the Appointed Date as if FCL were originally entitled to all such benefits and entitlements under such scheme and/or policies, subject to continued compliance by FCL of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to EFL. FCL shall be entitled to such benefits and entitlements in its name, without any additional liabilities or expenses whatsoever.

l) Taxes as per Tax Laws of EFL to the extent not provided for or covered by Tax provision in the accounts made as on the date immediately preceding the Appointed Date related to EFL shall be vested with FCL.

m) All Taxes paid or payable by EFL in respect of the operations and/ or the profits of EFL before the Appointed Date shall be on account of EFL and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by EFL, respectively in respect of the profits or activities or operations of EFL after the Appointed Date, the same shall be deemed to be the corresponding item paid by FCL and shall in all proceedings be dealt with accordingly.

n) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other Tax credit certificate relating to EFL is received in the name of EFL, it shall be deemed to have been received by FCL, which alone shall be entitled to claim credit for such tax deducted or paid.

o) Upon the Scheme becoming effective, EFL shall have right to revise their respective returns filed under Tax Laws. along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;

p) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws being balances pertaining to EFL, if any, shall stand vested in FCL as if the transaction giving rise to the said balance or credit was a transaction carried out by FCL. The liabilities of EFL as on the Appointed Date shall stand vested in FCL, save as otherwise in respect of the liabilities which were met by EFL during the Transition period, which shall be construed to have been met by FCL as if the transaction giving rise to the said liability was a transaction carried out by FCL.

q) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to EFL, to which EFL is a party or to the benefit of which EFL may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of FCL and may be enforced as fully and effectually as if instead of EFL, FCL had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to EFL, to which EFL is a party or to the benefit of which EFL may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of EFL and after the Appointed Date, the same shall be on account of FCL and shall, in all proceedings, be dealt with accordingly.

r) If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to EFL owns or to which EFL is a party to, cannot be transferred to FCL for any reason whatsoever, EFL shall hold such assets, contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FCL, insofar as it is permissible so to do, till such time as the transfer is affected.

s) On and from the Effective Date, and till such time that the name of the bank accounts of EFL has been replaced with that of FCL, FCL shall be entitled to maintain and operate the bank accounts of the EFL in the name of EFL and for such time as may be determined to be necessary by FCL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of EFL after the Effective Date shall be accepted by the bankers of FCL and credited to the account of FCL, is presented by FCL;

t) It is hereby clarified that the vesting of EFL in FCL shall be on a going concern basis.

17. STAFF, EMPLOYEES AND WORKERS

17.1. Upon the Scheme coming into effect, all staff, employees and workers of EFL 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 FCL 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 FCL shall not be less favorable than those applicable to them in EFL immediately preceding the transfer.

17.2. The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with FCL, relating to superannuation, provident fund and gratuity fund, and such other funds similar in nature, shall be identified, determined and vested with the respective trusts/funds of FCL and such staff, employees and workers shall be deemed to have become members of such trusts/funds of FCL. Until such time, FCL may, subject to necessary approvals and permissions, if any, continue to make contributions pertaining to the staff, employees and workers of EFL to the relevant funds of EFL viz. (i) Eureka Forbes Limited Staff Superannuation Scheme, (ii) Eureka Forbes Limited Employees' Gratuity Fund, and (iii) Eureka Forbes Limited Employees' Provident Fund (formerly Samuel Osborn (India) Limited Employees' Provident Fund.

17.3. FCL, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to EFL to which any of EFL is a party in order to give formal effect to the provisions of the Scheme. FCL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of EFL and to carry out or perform all such formalities or compliances, referred to above, on behalf of EFL.

18. CHANGE IN OBJECT CLAUSE OF FCL

18.1. With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FCL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities EFL, upon Part II of the Scheme coming into effect and pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of FCL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of FCL and shall read as under:

"6 To carry on in any part of the world the business of steel manufacturers, iron and steel merchants, dealers in iron and steel, iron and steel founders, casters, forgers, tillers, rollers , converters and melters of iron, steel and other metals, iron masters, coal masters, metal workers, mechanical engineers, shipbuilders, wire drawers and manufactures, and tool machines makers in all their branches and also to carry on the business of Tramway and Railway Track Manufactures, including the manufacture laying, alteration and maintenance of Permanent Ways, Points and Crossings. Switches and Rails, and materials used in connection with works of a similar nature.

To carry on either in connection with the said business or as distinct and separate business all or any of the following businesses, namely :- manufactures of all description of spring, buffers, couplings, 'rail-fastening, drawgears, and of all apparatus , appliances, accessories, materials and things used, or capable of being used in connection with Railways, or traction of any description, or in connection with any other use of steam or other power; manufacturers of all kinds of machinery machinery, rolling stock, permanent way materials, power hammers, files saws tools and anvils , and of all articles or things whatsoever (however dissimilar to the articles and things before mentioned), made wholly or in part of any metal: mechanical and general engineers, metal workers, metallurgists, machinists, smiths fitters, woodworkers, galvanisers, japanners, annealers and enamellers, and also general merchants and dealers in all or any of the things aforesaid or in articles or things which the Company has power to manufacture. To build, construct, equip improve maintain develop work mange carry out or control any tramways railway branches or sidings roads ways bridges reservoirs watercourses wharves manufactories warehouse electric works shops stores machinery plants and other works or conveniences of whatever description and to contribute to subsidise or otherwise assist or take part in the building construction equipment, improvement maintenance development, working management carrying out or control thereof.

7. To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.

8. To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.

9. To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds."

18.2. For the purposes of amendment in the Memorandum of Association and Articles of Association of FCL as provided in this clause, the consent / approval given by the members of FCL to this Scheme under the Companies Act, 2013 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution of members of FCL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of FCL and filing of the certified copy of this Scheme as sanctioned by the NCLT, and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai shall register the same and make the necessary alterations in the Memorandum of Association and Articles of Association of FCL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.

18.3. FCL shall file with the jurisdictional Registrar of Companies all requisite forms and complete the compliance and procedural requirements under the Act, if any.

19. LEGAL PROCEEDINGS

19.1. If any suit, appeal or other legal proceedings of whatsoever nature by or against EFL is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of the Amalgamation 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 FCL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against EFL as if this Scheme had not been made.

19.2. FCL undertakes to have all legal or other proceedings initiated by or against EFL referred to above transferred into its name and to have the same continued, prosecuted and enforced by or against FCL to the exclusion of EFL.

19.3. After the Effective Date, FCL shall and may, if required, initiate any legal proceedings in relation to EFL.

20. AMALGAMATION NOT TO AFFECT TRANSACTIONS / CONTRACTS OF EFL

20.1. The Amalgamation of EFL and the continuance of the said proceedings by or against FCL shall not affect any transaction or proceedings already concluded by or against EFL after the Appointed Date to the end and intent that FCL accepts and adopts all acts, deeds and things done or executed by EFL 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.

21. CONSIDERATION

21.1. The entire share capital of EFL is held by FCL. In other words, EFL is a wholly owned subsidiary of FCL. Accordingly, pursuant to this Scheme, no shares of FCL shall be issued and allotted in respect of shares held by it in EFL. Upon the Scheme becoming effective, the entire share capital of EFL shall be cancelled and extinguished without any further act, deed or instruments as an integral part of this Scheme.

21.2. The investment in the shares of EFL appearing in the books of account of FCL shall, without any further act, deed or instrument, stand cancelled.

22. ACCOUNTING TREATMENT

FCL shall account for amalgamation of EFL in its books of accounts as per Appendix C to Ind AS 103, Business Combination of entities under common control, prescribed under the 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. The amalgamation shall be accounted by FCL on the date as determined in accordance with Ind AS.

23. INCREASE IN AUTHORISED SHARE CAPITAL OF FCL

23.1. Upon sanction of this Scheme, and upon Part II of the Scheme coming into effect, the authorized share capital of EFL shall be INR 28,05,00,000/- (Rupees Twenty Eight Crores Five Lakhs Only) comprising of 2,80,50,000 Equity Shares of INR 10/- each shall be consolidated with the authorized share capital of FCL, which is INR 15,00,00,000 (Rupees Fifteen Crores Only) comprising of 1,50,00,000 equity shares of INR 10 each and same shall automatically stand increased, without any further act, instrument or deed on the part of FCL including payment of stamp duty and fees payable to Registrar of Companies, without any compliances in respect of the notices, meeting etc. but only by filing requisite statutory forms and/or any other documents as required with the Registrar of Companies. The filing fee and stamp duty already paid by EFL on its authorized share capital shall be deemed to have been so paid by FCL on the combined authorized share capital and accordingly, FCL shall not be required to pay any fee/stamp duty on the authorized share capital so increased.

23.2. Further, authorized share capital of FCL, pursuant to this Part becoming effective in Post Scheme scenario shall be INR 43,05,00,000/- (Rupees Forty-Three Crores Five Lakhs Only) shall be classified as 4,30,50,000 equity shares of INR 10 each.

23.3. Consequently, the corresponding capital clause in the Memorandum of Association / Articles of Association of FCL, as applicable (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, to be read as follows:

"The authorized share capital of the company is INR 43,05,00,000/- (Rupees Forty-Three Crores Five Lakhs Only) divided into 4,30,50,000 Equity Shares of INR 10/- each,"

23.4. For removal of doubt, it is clarified that the approval of the Scheme by the shareholders of FCL under sections 230 to 232 of the Act shall be deemed to be the sufficient approval under sections 13, 14, 61 and 64 of the Act and no separate procedure shall be followed under the Act, except filing of requisite forms to give effect to the increase.

24. CONDUCT OF BUSINESS

24.1. EFL as Trustee

With effect from the Appointed Date and up to and including Effective Date, EFL shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of EFL on account of and for the benefit of and in trust for, FCL, as FCL is taking over the business as going concern. EFL shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of EFL or any part thereof other than any amount borrowed by way of debt with or without issue of any security, including borrowings by way of loan or otherwise, from FCL and save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if prior written consent of FCL has been obtained.

24.2. Profit or Losses up to Effective Date

With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to EFL or all expenditure or losses incurred or arising, as the case may be, by EFL shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of FCL.

24.3. Taxes

All Taxes paid or payable by EFL in respect of the operations and / or profits of the business before the Appointed Date and from the Appointed Date till the Effective Date, shall be on account of EFL and in so far as it relates to the tax payment by EFL 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 FCL and shall in all proceedings be dealt with accordingly.

Any refund under any Tax Laws allocable or related to the business of EFL and due to EFL consequent to the assessment made on EFL shall also belong to and be received by FCL.

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

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

25.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which EFL is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of FCL and may be enforced as fully and effectively as if instead of EFL, FCL was a party thereto. Without prejudice to the other provisions of this Scheme and notwithstanding the fact that Amalgamation and vesting of EFL occurs by virtue of this Scheme itself, FCL 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 EFL is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme. FCL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of EFL and to carry out or perform all such formalities or compliances referred to above on the part of EFL to be carried out or performed.

25.2. 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 EFL shall stand transferred to FCL and FCL 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 FCL. FCL shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

26. MATTERS RELATING TO SHARE CERTIFICATES:

26.1. The Share Certificates held by FCL along with its nominee shareholders holding shares on behalf of FCL in respect of share capital of EFL shall automatically stand cancelled without any necessity of them being surrendered.

27. DISSOLUTION OF EFL

27.1. Upon the Scheme being sanctioned by an order made by the NCLT under Sections 230 to 232 of the Act and subject to the Effective Date, EFL shall stand dissolved without winding up on the Effective Date.

PART IV

DEMERGER AND VESTING OF DEMERGED UNDERTAKING OF FORBES & COMPANY LIMITED (UPON PART III BECOMING EFFECTIVE) INTO FORBES ENVIRO SOLUTIONS LIMITED, ON A GOING CONCERN BASIS

28. TRANSFER AND VESTING OF DEMERGED UNDERTAKING INTO FESL

28.1. Upon this Part III of this Scheme becoming effective, with effect from the Appointed Date and upon the Scheme becoming effective, the Demerged Undertaking of FCL as a going concern, along with all assets, liabilities, contracts, employees, licences, records, approvals, etc. being integral parts of the Demerged Undertaking of FCL shall, without any further act, instrument or deed, stand demerged and be vested in or be deemed to have been vested in FESL as a going concern so as to become as and from the Appointed Date, the undertaking of FESL by virtue of and in the manner provided in this Scheme.

28.2. Without prejudice to the generality of the above and to the extent applicable, unless otherwise stated herein, upon this Scheme becoming effective and with effect from the Appointed Date:

a) All properties and assets pertaining to Demerged Undertaking, movable or immovable, tangible or intangible, balance in bank, cash or investments and other assets of whatsoever nature and tax credits, quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever for all intents and purposes, permissions under income tax and/or any other statutes, incentives of FCL in relation to Demerged Undertaking, if any, without any further act or deed so as to become the business, properties and assets of FESL.

b) All the movable assets pertaining to Demerged Undertaking as are assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand, shall be physically handed over by manual delivery or by endorsement and delivery, to FESL to the end and intent that the property therein passes to FESL on such manual delivery or endorsement and delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of FESL accordingly.

c) All other movable properties pertaining to the Demerged Undertaking, including investments in shares of the subsidiaries/ Joint ventures (as per Annexure 2 except investment in FESL, FFSPL, FCHSPL and Lux Group) as part of the Demerged Undertaking, mutual funds, bonds and any other securities, sundry debtors, outstanding loans and advances, excluding outstanding loans and advances pertaining to the Lux Group, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, pursuant to the orders of this Scheme becoming effective and by operation of law become the properties of FESL, and the title thereof together with all rights, interests or obligations therein shall be deemed to have been mutated and recorded as that of FESL. All investments of the Demerged Undertaking shall be recorded in the name of FESL by operation of law as transmission in favour of FESL as a successor in interest and any documents of title in the name of FCL in relation to Demerged Undertaking shall also be deemed to have been mutated and recorded in the name of FESL to the same extent and manner as originally held by FCL in relation to Demerged Undertaking and enabling the ownership, right, title and interest therein as if FESL was originally FCL in relation to Demerged Undertaking. FESL shall subsequent to this Scheme becoming effective be entitled to the delivery and possession of all documents of title of such movable property in this regard;

d) All immovable properties (including land together with the buildings (including factory buildings) and structures standing thereon) (as per Annexure 1) pertaining to Demerged Undertaking of FCL, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in and transferred to and/or be deemed to have been and stand transferred to and vested in FESL, without any act or deed done by FCL or FESL. FESL shall be entitled to exercise all rights and privileges and be liable to pay ground rent, taxes and fulfill obligations, in relation to or applicable to such immovable properties. The mutation / substitution of the title to the immovable properties shall be made and duly recorded in the name of FESL by the appropriate authorities pursuant to the Scheme becoming effective in accordance with the terms hereof.

e) All the consents, permissions, licenses, certificates, insurance covers, clearances, authorities, power of attorneys given by, issued to or executed in favour of Demerged Undertaking of FCL, shall stand vested in or transferred automatically to FESL without any further act or deed and shall be appropriately mutated by the authorities concerned therewith in favour of FESL as if the same were originally given by, issued to executed in favour of FESL and FESL shall be bound by the terms thereof, the obligations and duties thereunder and the rights and benefits under the same shall be available to FESL. The benefit of all statutory and regulatory permissions including the statutory or other licenses, tax registrations, permits, permissions or approvals or consents required to carry on the operations of Demerged Undertaking of FCL shall automatically and without any other order to this effect, vest into and become available to FESL pursuant to this Scheme becoming effective in accordance with the terms thereof.

f) All debts, liabilities, contingent liabilities, duties, Taxes (including any advance taxes paid, TDS deducted on behalf of FCL in relation to Demerged Undertaking, etc., if any), liabilities and obligations of FCL, in relation to Demerged Undertaking, as on the Appointed Date, in each case, other than all debts, liabilities, trade payables, contingent liabilities, duties, Taxes pertaining to the Lux Group, FESL, FFSPL and FCHSPL, whether provided for or not, in the books of accounts of FCL in relation to Demerged Undertaking, and all other liabilities which may accrue or arise after the Appointed Date but which relates to the Transition period, shall, pursuant to this Scheme becoming effective as per the order of the NCLT or such other competent authority, as may be applicable under Section 232 and other applicable provisions of the Act, and without any further act or deed, be vested or deemed to be vested in and be assumed by FESL, so as to become as from the Appointed Date the debts, liabilities, contingent liabilities, taxes, duties and obligations of FESL on the same terms and conditions as were applicable to FCL and FESL undertakes to meet, discharge and satisfy to the exclusion of FCL in relation to Demerged Undertaking and to keep FCL in relation to Demerged Undertaking indemnified at all times from and against all such debts, liabilities, contingent liabilities, duties, Taxes and obligations of FCL in relation to Demerged Undertaking from all actions, demands and proceedings in respect thereto. Notwithstanding anything contained in this Scheme, it is hereby clarified that any and all amounts, including corporate guarantees (including any recoverable amount upon invocation of corporate guarantees, if any), advances, contingent liabilities, trade payables and/or receivables, in each case, pertaining to or in connection with the Lux Group shall not be transferred to FESL upon the effectiveness of the Scheme.

g) FESL, may, at any time after this Scheme coming into effect, if required under law or otherwise, execute deeds of confirmation in favour of any other party with which FCL in relation to Demerged Undertaking has a contract or arrangement, or give any such writing or do any such things, as may be necessary, to give effect to the above.

h) In so far as loans and borrowings of FCL in relation to Demerged Undertaking pertaining to the loans and liabilities, which are to be vested to FESL shall, without any further act or deed, become loans and borrowings of FESL, and all rights, powers, duties and obligations in relation thereto shall be and stand vested in and shall be exercised by or against FESL as if it had entered into such loans and incurred such borrowings. Thus, the primary obligation to redeem or repay such liabilities upon the Scheme becoming effective shall be that of FESL.

i) The vesting of the assets comprised in FCL in relation to Demerged Undertaking to FESL under this Scheme shall be subject to the mortgages and charges, if any, affecting the same as hereinafter provided.

   i. The securities, mortgages, charges, encumbrances or liens or those, if any, in relation to Demerged Undertaking after the Appointed Date and during the Transition period, in terms of this Scheme, over the assets comprised in FCL in relation to Demerged Undertaking, or any part thereof, shall be vested in FESL by virtue of this Scheme, and the same shall, after the Transition period, continue to relate and attach to such assets or any part thereof to which they relate or attached prior to the Transition period and are vested with FESL, and such Encumbrances shall not relate or attach to any of the other assets, of FCL in relation to Demerged Undertaking.

   ii. In so far as the existing Encumbrances, if any, in respect of the loans, borrowings, debts, liabilities, is concerned, such Encumbrance shall, without any further act, instrument or deed be modified and shall be extended to and shall operate only over the assets comprised in FCL in relation to Demerged Undertaking which have been Encumbered in respect of the transferred liabilities as transferred to FESL pursuant to this Scheme. Provided that if any of the assets comprised in FCL in relation to Demerged Undertaking which are being transferred to FESL pursuant to this Scheme have not been Encumbered in respect of the transferred liabilities, such assets shall remain unencumbered and the existing Encumbrance referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or third party shall not affect the operation of the above.

   iii. In so far as the existing securities in respect of the loans or borrowings of FCL in relation to Demerged Undertaking and other liabilities relating to FCL in relation to Demerged Undertaking are concerned, such securities shall, without any further act, instrument or deed be continued with FCL in relation to Demerged Undertaking. FCL in relation to Demerged Undertaking and FESL shall file necessary particulars and/or modification(s) of charge, with the Registrar of Companies to give formal effect to the above provisions, if required.

   iv. The foregoing provisions insofar as they relate to the vesting of liabilities with FESL shall operate, notwithstanding anything to the contrary contained in any deed or writing or the terms of sanction or issue or any security documents, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

j) With effect from the Appointed Date and during the Transition period, subject to the other provisions of the Scheme, all approvals (including but not limited to all the units and factories situated at various states in India (including at MIDC)), quotas, rights, consents, entitlements, licenses, certificates, permits, and facilities of every kind and description whatsoever, privileges, deeds, bonds, quality certifications and approvals, powers of attorneys, agreements and other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking is a party, or the benefit to which FCL in relation to Demerged Undertaking may be eligible, subsisting or operative immediately on or before the

Effective Date, shall be in full force and effect against or in favour of FESL and may be enforced fully and effectively as if instead of FCL in relation to Demerged Undertaking, FESL had been a party or beneficiary thereto so as to continuation of operations of FCL in relation to Demerged Undertaking by FESL without any hindrance or disruption after the Transition period. FESL shall enter into and/or issue and/or execute deeds, writings, endorsements or confirmation or enter into any tripartite agreement, confirmations or novation's to which FCL in relation to Demerged Undertaking will, if necessary, also be a party, in order to give formal effect to the provisions of this Scheme, if so required or if it becomes necessary. Further, FESL shall be deemed to be authorized to execute any such deeds, writings, endorsements or confirmations on behalf of FCL in relation to Demerged Undertaking and to implement or carry out all formalities required on the part of FCL in relation to Demerged Undertaking to give effect to the provisions of this Scheme. In case a question arises as to whether a specific asset or liability or contracts or employee, pertains or does not pertain to FCL in relation to Demerged Undertaking or whether it arises out of the activities or operations of FCL in relation to Demerged Undertaking shall be decided by the Board of FCL in relation to Demerged Undertaking, or any committee constituted thereof. A certificate issued by the Board of Directors or the committee thereof in this respect shall be a conclusive evidence of the matter.

k) With effect from the Appointed Date and upon the Scheme becoming effective, the entitlement to various benefits under incentive schemes and policies, if any, in relation to FCL in relation to Demerged Undertaking shall stand vested in and/or be deemed to have been vested in FESL together with all benefits and entitlements of any nature whatsoever. Such benefits and entitlements shall include Tax benefits under Tax Laws in the nature of exemption, deferment, refunds and incentives in relation to Demerged Undertaking of FCL to be claimed by FESL with effect from the Appointed Date as if FESL were originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by FESL of all the terms and conditions subject to which the benefits and entitlements under such incentive schemes were made available to FCL in relation to Demerged Undertaking. FESL shall be entitled to such benefits in its name, without any additional liabilities or expenses whatsoever.

l) Taxes of FCL in relation to Demerged Undertaking vested upon FCL pursuant to the amalgamation of EFL with and into FCL as per Tax Laws to the extent not provided for or covered by tax provision in the accounts made as on the date immediately preceding the Appointed Date related to FCL in relation to Demerged Undertaking shall be vested with FESL.

m) All Taxes paid or payable by FCL in relation to Demerged Undertaking in respect of the operations and/ or the profits of FCL in relation to Demerged Undertaking before the Appointed Date shall be on account of FCL in relation to Demerged Undertaking and in so far as it relates to the Tax payment whether by way of deduction at source, advance tax or otherwise howsoever, by FCL in relation to Demerged Undertaking in respect of the profits or activities or operations of FCL in relation to Demerged Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by FESL and shall in all proceedings be dealt with accordingly.

n) On and from the Appointed Date, if any Certificate for Tax Deducted at Source or any other tax credit certificate relating to FCL in relation to Demerged Undertaking is received in the name of FCL in relation to Demerged Undertaking, it shall be deemed to have been received by FESL, which alone shall be entitled to claim credit for such tax deducted or paid.

o) Upon the Scheme becoming effective, FESL shall have right to revise their respective returns filed under Tax Laws, along with prescribed forms, filings and annexures under the Tax Laws and claim refunds and / or credit for Taxes paid and for matters incidental thereto, if required, to give effect to the provisions of the Scheme;

p) On and from the Appointed Date, the benefit of all balances relating to Taxes under the Tax Laws pertaining to FCL in relation to Demerged Undertaking, if any, shall stand vested in FESL as if the transaction giving rise to the said balance or credit was a transaction carried out by FESL. The liabilities of FCL in relation to Demerged Undertaking as on the Appointed Date shall stand vested in FESL, save as otherwise in respect of the liabilities which were met by FCL in relation to Demerged Undertaking during the Transition period, which shall be construed to have been met by FESL as if the transaction giving rise to the said liability was a transaction carried out by FESL.

q) Upon the coming into effect of the Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking, to which FCL in relation to Demerged Undertaking is a party or to the benefit of which FCL in relation to Demerged Undertaking may be eligible, and which are subsisting or have effect before the Appointed Date and during the Transition period, shall continue in full force and effect on or against or in favour, as the case may be, of FESL and may be enforced as fully and effectually as if instead of FCL in relation to Demerged Undertaking, FESL had been a party or beneficiary or obligee thereto or thereunder. All liabilities arising from all such contracts, deeds, bonds, agreements, Schemes, arrangements and other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking, to which FCL in relation to Demerged Undertaking is a party or to the benefit of which FCL in relation to Demerged Undertaking may be eligible, and which are subsisting or have effect immediately before the Appointed Date, shall be on account of FCL in relation to Demerged Undertaking and after the Appointed Date, the same shall be on account of FESL and shall, in all proceedings, be dealt with accordingly.

r) If any assets (including estate, claims, rights, title, interest in or authorities relating to any asset) or any contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in relation to FCL in relation to Demerged Undertaking owns or to which FCL in relation to Demerged Undertaking is a party to, cannot be transferred to FESL for any reason whatsoever, FCL in relation to Demerged Undertaking shall hold such assets, contracts, deeds, bonds, agreements, Schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of FESL, insofar as it is permissible so to do, till such time as the transfer is affected.

s) On and from the Effective Date, and till such time that the name of the bank accounts pertaining to Demerged Undertaking, of FCL has been replaced with that of FESL, FESL shall be entitled to maintain and operate the bank accounts of the FCL pertaining to Demerged Undertaking in the name of FCL and for such time as may be determined to be necessary by FESL. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of FCL after the Effective Date shall be accepted by the bankers of FESL and credited to the account of FESL, is presented by FESL;

t) It is hereby clarified that the vesting of Demerged Undertaking of FCL in FESL shall be on a going concern basis.

29. STAFF, EMPLOYEES AND WORKERS

29.1. Upon Part III of 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 pursuant to Part II of the Scheme 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 FESL 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 FESL shall not be less favorable than those applicable to them as a part of the Demerged Undertaking of FCL immediately preceding the transfer.

29.2. The equitable interest in accounts/funds of the staff, employees and workers, if any, whose services are vested with FESL, 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 FESL and such staff, employees and workers shall be deemed to have become members of such trusts/funds of FESL. Until such time, FESL 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 FCL in relation to the Demerged Undertaking.

29.3. FESL, at any time after the Scheme becoming effective in accordance with the provisions hereof, if so required under any law or otherwise, will execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking in order to give formal effect to the provisions of the Scheme. FESL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances, referred to above, in relation to the Demerged Undertaking.

30. CHANGE IN OBJECT CLAUSE OF FESL

30.1. With effect from the Appointed Date, and upon the Scheme becoming effective, the main object clause of the Memorandum of Association of FESL shall be altered and amended, without any further act or deed, to include the objects as required for the purpose of carrying on the business activities of FCL in relation to the Demerged Undertaking, pursuant to the provisions of Sections 13 and 14 of the Companies Act, 2013 and other applicable provisions of the Act. Accordingly, the Memorandum of Association of FESL shall be altered and amended and necessary revisions in numbering of the clauses inserted shall be carried out. The following clause shall be added to the Memorandum of Association of FESL and shall read as under:

5. To carry on the business of importers, exporters, manufacturers of and dealer in all kinds of electrical and non-electrical appliances, electro mechanical devices for domestic, commercial, industrial, hospital uses, and apparatus etc. and all packaging materials components, parts, accessories, articles and fittings required for those purposes.

6. To manufacture, buy, sell, exchange, alter, improve, market, distribute, import or export or otherwise deal in all kinds of water filters, water purifiers or other water purification systems of all types and kinds, and allied products to suit the needs of all sectors of the society such as domestic, industries, Government, public, private, including manufacturing and processing of home reverse osmosis membrane elements and other related water treatment products.

7. To carry on the business of manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, packaged drinking water, trading in electronic air cleaning systems, small household appliances, digital security system, air-conditioners and all kinds of electrical & non electrical appliances etc.

8. To supply, undertake and execute any works involving or relating to water purifiers, water filters, other products for purification of water or other liquids or material of all kinds."

30.2. For the purposes of amendment in the Memorandum of Association and Articles of Association of FESL as provided in this clause, the consent / approval given by the members of FESL to this Scheme under the Companies Act, 2013 and any other applicable provisions of the Act shall be deemed to be sufficient and no further resolution *of members of FESL as required under the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act shall be required to be passed for making such change / amendment in the Memorandum of Association and Articles of Association of FESL and filing of the certified copy of this Scheme as sanctioned by the NCLT, and a printed copy of the Memorandum of Association for the purposes of said Section 13 and 14 of the Companies Act, 2013 and all other applicable provisions of the Act and the Registrar of Companies, Mumbai shall register the same and make the necessary alterations in the Memorandum of Association and Articles of Association of FESL accordingly and shall certify the registration thereof in accordance with the provisions of Section 13 and 14 of the Companies Act, 2013 and any other applicable provisions of the Act.*

30.3. FESL shall file with the jurisdictional Registrar of Companies all requisite forms and complete the compliance and procedural requirements under the Act, if any.

31. LEGAL PROCEEDINGS

31.1. Upon Part III of the Scheme coming into effect, if any suit, appeal or other legal proceedings of whatsoever nature by or against FCL 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 FESL in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against FCL 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 FCL in relation to the Demerged Undertaking and FESL to be jointly treated as parties thereto, FESL shall be added as party to such proceedings and shall prosecute and defend such proceedings in co-operation with FCL in relation to the Demerged Undertaking.

31.2. FESL undertakes to have all legal or other proceedings initiated by or against FCL 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 FESL to the exclusion of FCL in relation to the Demerged Undertaking.

31.3. After the Effective Date, FESL shall and may, if required, initiate any legal proceedings in relation to FCL in relation to the Demerged Undertaking.

32. DEMERGER NOT TO AFFECT TRANSACTIONS / CONTRACTS OF FCL IN RELATION TO THE DEMERGED UNDERTAKING:

32.1. The Demerger of the Demerged Undertaking of FCL and the continuance of the said proceedings by or against FCL in relation to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by or against FCL in relation to the Demerged Undertaking after the Appointed Date to the end and intent that FESL accepts and adopts all acts, deeds and things done or executed by FCL 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.

33. CONSIDERATION

33.1. Upon coming into effect of the Scheme and in consideration for Demerger of Demerged Undertaking of FCL into FESL, FESL 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 FCL whose names appear in the register of members as on the Record Date of FCL 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:

15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL 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.

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

33.3. In case any shareholders shareholding in FCL is such that such shareholder becomes entitled to a fraction of any equity share of FESL, FESL shall not issue fractional shares to such shareholder but shall consolidate such fractions and issue and allot the consolidated shares directly to a trustee nominated by the Board of Directors of FESL in that behalf, who shall sell such shares in the market at such price(s) and at such time(s) as the trustee may in its sole discretion decide and on such sale, shall pay to FESL, the net proceeds (after deduction of applicable taxes and other expenses incurred), whereupon FESL shall, subject to withholding taxes, if any, distribute such sale proceeds to the concerned shareholders of FCL in proportion to their respective fractional entitlements.

33.4. FESL 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.

33.5. The equity shares to be issued and allotted as provided in clause 33.2 above, shall rank pari passu in all respects with the then existing equity shares of FESL after the Record Date.

33.6. Approval of this Scheme by the equity shareholders of FESL 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 FESL to the equity shareholders of FCL, as provided in this Scheme.

33.7. The issue and allotment of equity shares by FESL to the equity shareholders of FCL as provided in this Scheme, shall be deemed, without any further act or deed by FESL, to be a private placement within the meaning of section 42 of the Companies Act, 2013 and it shall be deemed that the procedures laid down under the said section of the Act and any other applicable provisions of the Act were duly complied with.

33.8. The approval of this Scheme by the equity shareholders of FCL and FESL 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.

33.9. 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 FESL being exactly similar to the shareholding pattern of FCL. FESL 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.

33.10.The equity shares allotted by FESL pursuant to the Scheme shall remain frozen in the depository system till listing / trading permission is given by the Stock Exchange.

33.11.Equity Shares to be issued by FESL pursuant to this Scheme in respect of any Equity Shares of FCL 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 FESL.

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

34. ACCOUNTING TREATMENT

Upon the Scheme becoming effective, FESL and FCL shall account for Demerger in their respective books of account as under:

34.1. **In the books of FESL**

FESL shall give effect to the accounting treatment in its books of account in accordance with the "Acquisition Method" of accounting under IndAS 103 (Accounting for Business Combinations) and any other relevant Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with section 133 of the Companies Act, 2013, and generally accounted accounting principles in India, as amended from time to time.

34.2. **In the books of FCL**

FCL shall account for transfer of Demerged Undertaking to FESL 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.

35. CONDUCT OF BUSINESS

35.1. FCL in relation to the Demerged Undertaking as Trustee

With effect from the Appointed Date and up to and including Effective Date, FCL in relation to the Demerged Undertaking shall carry on and shall be deemed to have carried on all their business and activities as hitherto and shall hold and stand possessed of and shall be deemed to have held and stood possessed of FCL in relation to the Demerged Undertaking on account of and for the benefit of and in trust for, FESL, as FESL is taking over the business as going concern. FCL in relation to the Demerged Undertaking shall preserve and carry on their business and activities with reasonable diligence and business prudence and shall neither undertake any additional financial commitments of any nature whatsoever, borrow any amounts nor incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitments either for themselves or on behalf of any third parties, sell, transfer, alienate, charge, mortgage or encumber or deal with the assets of FCL in relation to the Demerged Undertaking or any part thereof save and except in the ordinary course of business as carried on by them as on the date of filing of this Scheme with the NCLT or if written consent of FESL has been obtained.

35.2. Profit or Losses up to Effective Date

With effect from the Appointed Date and upto and including the Effective Date, all profits or incomes accruing or arising to FCL in relation to the Demerged Undertaking or all expenditure or losses incurred or arising, as the case may be, by FCL in relation to the Demerged Undertaking shall, for all purposes, be treated and deemed to be and accrue as the profits or incomes or expenditures or losses, as the case may be, of FESL.

35.3. Taxes

All taxes paid or payable by FCL in relation to the Demerged Undertaking in respect of the operations and / or profits of the business before the Appointed Date and from the appointed date till the Effective Date, shall be on account of FCL in relation to the Demerged Undertaking and in so far as it relates to the tax payment by FCL 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 FESL 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 FCL in relation to the Demerged Undertaking and due to FCL in relation to the Demerged Undertaking consequent to the assessment made on FCL in relation to the Demerged Undertaking shall also belong to and be received by FESL.

All taxes benefits of any nature, duties, cesses or any other like payments or deductions available to FCL 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 FESL and the relevant authorities shall be bound to transfer to the account of and give credit for the same to FESL upon the passing of the order by the NCLT.

36. REDUCTION IN PAID UP SHARE CAPITAL OF FESL AND CANCELLATION OF INTER-COMPANY INVESTMENTS

36.1. The existing share capital i.e. shares held by the shareholders of FESL viz. FCL (upon Part III of the Scheme becoming effective) prior to Part IV of the Scheme becoming effective shall stand cancelled without any further application, act, instrument or deed, as an integral part of this Scheme.

36.2. The share certificate(s) in relation to the shares held by the existing shareholders of FESL (i.e. FCL), 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 FESL, in lieu of share certificates already held by existing shareholders of FESL in FESL.

36.3. The said cancellation of investments held by FCL in FESL and the said reduction in the share capital of FESL shall be debited/credited to capital reserve in the books of FESL 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.

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

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

37.1. Subject to other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which FCL in relation to the Demerged Undertaking is a party subsisting or having effect immediately before the Amalgamation, shall remain in full force and effect against or, as the case may be, in favour of FESL and may be enforced as fully and effectively as if instead of FCL in relation to the Demerged Undertaking, FESL 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, FESL 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 FCL 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. FESL shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of FCL in relation to the Demerged Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of FCL in relation to the Demerged Undertaking to be carried out or performed.

37.2. 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 FCL in relation to the Demerged Undertaking shall stand transferred to FESL and FESL 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 FESL. FESL shall receive relevant approvals from the Government Authorities concerned as may be necessary in this behalf.

38. CHANGE OF NAME OF FESL:

38.1. Upon this scheme becoming effective, without any further act, instrument or deed, the name of FESL shall be changed to “Eureka Forbes Limited”. Further, the name “Forbes Enviro Solutions Limited” wherever occurs in the memorandum of association and articles of association of FESL shall be substituted by such name.

38.2. The approval and consent of this scheme by the shareholders of FESL shall be deemed to be the approval of shareholders by way of special resolution under section 13 of the Companies Act, 2013 for change of name of FESL as contemplated herein and shall be deemed to be sufficient for the purpose of effecting the amendments in the memorandum of association and articles of association of FESL in relation to the change of name of FESL in accordance with provisions of the Companies Act, 2013. The sanction of this scheme by the NCLT shall be deemed and no further resolution(s) would be required to be separately passed to be complying with the provisions of the Companies Act, 2013, for the purpose of effecting the change in name of FESL.

38.3. The Board of Directors and the shareholders of EFL shall not have any objection to the adoption and use of the name “Eureka Forbes Limited” by FESL pursuant to the scheme.

PART V

GENERAL TERMS AND CONDITIONS

39. APPLICATION TO NCLT

39.1. Necessary applications and / or petitions by ATPL, EFFSL, EFL, FCL and FESL shall be made for the sanction of the Composite Scheme of Arrangement to the NCLT, for sanctioning of this Scheme under the provisions of law and obtain all approvals as may be required under the law.

40. MODIFICATION OR AMENDMENTS TO THE SCHEME

40.1. Subject to approval of NCLT, the respective Boards or the respective authorized representative appointed by the Board of ATPL, EFFSL, EFL, FCL and FESL 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 and after dissolution of ATPL, EFFSL, EFL, the Board of FCL and FESL 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.

40.2. ATPL, EFFSL, EFL, FCL and FESL may withdraw this Scheme prior to the Effective Date at any time.

41. SCHEME CONDITIONAL ON APPROVALS / SANCTIONS

The Scheme is conditional upon and subject to:

41.1. The approval by the requisite majorities of the respective members and / or creditors (including but not limited to secured and unsecured) of ATPL, EFFSL, EFL, FCL and FESL, as required under the Act and directed by the NCLT.

41.2. 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.

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

41.4. 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.

42. OPERATIVE DATE OF THE SCHEME

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

43. BINDING EFFECT

43.1. Upon the Scheme becoming effective, the same shall be binding on ATPL, EFFSL, EFL, FCL and FESL and all concerned parties without any further act, deed, matter or thing.

44. EFFECT OF NON-RECEIPT OF APPROVALS

44.1. 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 ATPL, EFFSL, EFL, FCL and FESL 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.

45. GIVING EFFECT TO THE SCHEME

45.1. For the purpose of giving effect to the Scheme, the Board of Directors of ATPL, EFFSL, EFL, FCL and FESL 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.

46. DECLARATION OF DIVIDEND, BONUS, RAISING FUNDS, ETC.

46.1. ATPL, EFFSL, EFL, FCL and FESL shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date but only in the ordinary course of business. Any declaration or payment of dividend otherwise than as aforesaid, by ATPL, EFFSL, EFL, FCL and FESL shall be subject to the prior approval of the Board of Directors of respective companies and in accordance with applicable laws. It is clarified that prior approval of any of the Board of the Directors shall not be required for payment of any dividend already announced or declared but yet to be paid, by either of ATPL, EFFSL, EFL, FCL and FESL to its shareholders.

46.2. EFL or FCL in relation to the Demerged Undertaking shall not utilize the profits or income, if any, for the purpose of declaring or paying any dividend to its shareholders or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of FCL and FESL respectively.

46.3. It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of ATPL, EFFSL, EFL, FCL and FESL to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of ATPL, EFFSL, EFL, FCL and FESL and subject, wherever necessary, to the approval of the shareholders of ATPL, EFFSL, EFL, FCL and FESL, respectively.

46.4. Subject to clause 24.1, EFL shall be entitled to raise funds from any person at any time up to the Effective Date, provided however that FCL shall continue to hold 100% of the shareholding in EFL up to the Effective Date.

46.5. FCL shall be entitled to raise funds from any person at any time up to the Effective Date.

47. 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 FESL.

Annexure 1

List of Immovable Properties

Sr. No.	City	Type of Property	Property details
1	Mumbai	Corp. Office	B1/B2 701 Marathon Innova, Marathon NextGen, Off.Ganpatrao Kadam Marg, Lower Parel, Mumbai 400 013
2	Mumbai	Residential	Flat No. 701, 7th Floor,Sterling Sea Face, “A” Wing,Dr. Annie Besant Road,Worli, Mumbai – 400 018.
3	Mumbai	Residential	Flat No.1103, 9th Floor, Sterling Sea Face, “B” Wing, Dr. Annie Besant Road, Worli, Mumbai – 400 018.
4	Thane	Residential	Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.8 C, Eden Woods, Village Chitalsar, Manpada, Smt. Glady’s Alvares Marg, Thane (West) – 400 061.
5	Thane	Residential	Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.8 D, Eden Woods, Village Chitalsar, Manpada, Smt. Glady’s Alvares Marg, Thane (West) – 400 061.
6	Thane	Residential	Eden Wood “Cedar House” Co-op, Hsg. Society Ltd., Flat No.9 C, Eden Woods, Village Chitalsar, Manpada, Smt. Glady’s Alvares Marg, Thane (West) – 400 061.
7	Navi Mumbai -Turbhe	Warehouse	D-28/3, TTC Indl. Area Behind Turbhe Telephone Exchange, Turbhe, Navi Mumbai - 400 705.
8	Mumbai	Residential	Sarkar Castle Co-op. Hsg. Soc. Ltd., Flat No. 501, 5th Floor, 43 Chimbai Road, Bandra (west)Mumbai – 400 050
9	Kolkata	Office	Shop No.201, 2nd Floor, South End Conclave, R. B. Connector, EKADP, Kolkata 700 078.
10	Kolkata	Residential	Vedic Village Unit No. L – F8 Shikharpur, P. S. Rajarhet North 24 Parganas, Kolkata 700 135
11	Lucknow	Office	3rd floor, Nikhilesh Palace, Opp.Jawahar Nagar, 164/ 17-4, Ashok Marg, Lucknow – 226 0012
12	Jaipur	Office	Shop No. 203 & 204, 2nd Floor,The Guman _ II, “A” Block, Opp. Tagore Public School,Vaishali Nagar, Jaipur – 302 021.
13	Indore	Office	Unit No. 402-408, 4th Floor, Sapphire heights, Plot No.12, Agra - Bombay Road, Indore – 452 008.
14	Ahmedabad	Office	2nd & 3rd Floor, CLOUD-9, 81/1, The Swastik Co. Op. Hsg. Soc. Ltd., Navrangpura Ahmedabad- 380 009.
15	Surat	Office	Shop No. 2, 2nd Floor, Shiv Pooja Shopping Centre, City Light Main Road, Surat – 395 007.
16	Baroda	Office	Office NO. 102, 1st Floor, Ivory Terrace, R. C. Dutta Road, Alkapuri, Vadodaraa – 390 005.
17	Bhubaneshwar	Office	Ground Floor, Bharati Tower, A- Block, Forest Park, Bhubaneswar – 751 009
18	Chennai	Office	Shop No. B4 on 2nd Floor, “Anmol Palani”, No.88, G. N. Chetty Road. T. Nagar, Chennai – 600 017
19	Chennai	Office	Shop No. B5 on 3rd Floor, “Anmol Palani”, No.88, G. N. Chetty Road. T. Nagar, Chennai – 600 017
20	Chennai	Office	Shop No. C5 & D5 on 3rd Floor, “Anmol Palani”, No.88, G. N. Chetty Road. T. Nagar, Chennai – 600017
21	Hyderabad	Office	Unit No. 506, 5th Floor,Pavani Prestige, Commercial Building Complex, 6-3-789,Ammerpet, Hyderabad – 500 016.
22	Hyderabad	Office	Unit No. 507 & 508, 5th Floor,Pavani Prestige, Commercial Building Complex, 6-3-789,Ammerpet, Hyderabad – 500 016.
23	Cochin	Office	4th Floor, Tutus Tower, NH –47, Bye-Pass Road, Padivattom, Cochin -682 024.
24	Bangalore	Factory	No. 143, C-4,Bommasandra Industrial Area,Off Hosur Road,Bangalore - 560099
25	Dehradun	Factory	Khasra No.3946,3961-62, Lal Tappar Industrial Area, Majri Grant, Dehradun-248140
26	Pune	Office	201 B, 2nd Floor, The Orion 5, Koregaon Road, Pune – 411 001.

Annexure 2:

List of Subsidiaries and Joint Ventures

A. Indian Subsidiaries

Name of Companies	% held by EFL
Forbes Enviro Solutions Limited (“FESL”)	100
Forbes Facility Services Private Limited (“FFSPL”)	100
Forbes Aquatech Limited	66.67

B. Indian Joint Ventures

Name of Companies	% held by EFL
Forbes Concept Hospitality Services Private Limited	50
Infinite Water Solution Private Limited	50

C. Overseas Subsidiaries

Name of Companies	% held by EFL
EFL Mauritius Limited – Mauritius	100
Forbes Lux FZCO - Dubai	100
Euro Forbes Ltd – Dubai	100
Forbes Lux International AG – Switzerland	100
LIAG Trading and Investments Limited – Dubai	100
Lux (Deutschland) GmbH – Germany	100
Lux Hungaria Kereskedelmi Kft. – Hungary	100
Lux International AG – Switzerland	100
Lux Italia srl – Italy (in liquidation)	100
Lux Norge A/S – Norway	100
Lux Oesterreich GmbH – Austria	100
Lux Schweiz AG – Switzerland	100
Lux Internatiional Services & Logistics GmbH (formerly: Lux Service GmbH) – Germany	100
Lux Professional SA (formerly: Lux Aqua Paraguay SA) – Paraguay	100
Lux del Paraguay SA – Paraguay	80
Lux Welity Polska sp. z.o.o. – Poland	100

D. Overseas Joint Ventures

Name of Companies	% held by EFL
AMC Cookware Limited – South Africa	50

Annexure 3: List of companies (Lux Group)

Name of Companies	% held by EFL
EFL Mauritius Limited – Mauritius	100
Forbes Lux International AG – Switzerland	100
LIAG Trading and Investments Limited – Dubai (liquidated)	100
Lux (Deutschland) GmbH – Germany (liquidated)	100
Lux Hungaria Kereskedelmi Kft. – Hungary	100
Lux International AG – Switzerland	100
Lux Italia srl – Italy (liquidated)	100
Lux Norge A/S – Norway (sold)	100
Lux Oesterreich GmbH – Austria	100
Lux Schweiz AG – Switzerland	100
Lux International Services & Logistics GmbH (formerly: Lux Service GmbH) – Germany	100
Lux Professional SA (formerly: Lux Aqua Paraguay SA) – Paraguay	100
Lux del Paraguay SA – Paraguay	80
Lux Welity Polska sp. z.o.o. – Poland	100
AMC Cookware Limited – South Africa	50%

Annexure 4: List of Classes (Forbes Trademark)

Class 1	Class 19	Class 31
Class 3	Class 20	Class 32
Class 5	Class 22	Class 33
Class 6	Class 23	Class 34
Class 8	Class 24	Class 35
Class 9	Class 25	Class 37
Class 10	Class 26	Class 41
Class 13	Class 27	Class 44
Class 16	Class 29	
Class 17	Class 30	

SSPA & CO.
Chartered Accountants
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STRICTLY PRIVATE & CONFIDENTIAL

September 08, 2020

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

The Board of Directors,
Forbes Enviro Solutions Limited
B1/B2, 7th Floor, 701, Marathon Innova,
Off. Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013

The Board of Directors,
Aquaignis Technologies Private Limited
B1/B2, 7th Floor, 701, Marathon Innova,
Off. Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013

The Board of Directors,
Euro Forbes Financial Services Limited
B1/B2, 7th Floor, 701, Marathon Innova,
Off. Ganpatrao Kadam Marg, Lower Parel,
Mumbai – 400 013

The Board of Directors,
Eureka Forbes Limited
7, Chakraberia Road,
Kolkata – 700 025

Dear Sir(s) / Madam(s),

Re: Report on recommendation of fair equity share entitlement ratio for the proposed demerger of 'Health and Safety Solutions Undertaking' of Forbes and Company Limited into Forbes Enviro Solutions Limited

We refer to our engagement letter dated September 03, 2020 whereby SSPA & Co., Chartered Accountants (hereinafter referred to as 'SSPA' or 'Valuer' or 'We'), have been appointed by the management of Forbes & Company Limited (hereinafter referred to as 'FCL') and Forbes Enviro Solutions Limited (hereinafter referred to as 'FESL') (hereinafter collectively referred to as the 'Companies') to issue a report containing recommendation of fair equity share entitlement ratio for the proposed demerger of 'Health and Safety Solutions Undertaking' (hereinafter referred to as the 'Demerged Undertaking') of FCL into FESL ('Proposed Demerger').

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

1 SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been informed by the management of the Companies (hereinafter collectively referred to as the 'Management') that they are considering the following restructuring proposal pursuant to a composite scheme of arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder (hereinafter referred to as the 'Scheme'):

Step 1 - Amalgamation of wholly owned subsidiaries of Eureka Forbes Limited ('EFL') viz. Aquaignis Technologies Private Limited ('ATPL') and Euro Forbes Financial Services Limited ('EFFSL') with EFL;

Step 2 - Amalgamation of EFL (subsequent to amalgamation of ATPL and EFFSL with EFL), a wholly owned subsidiary of FCL, with FCL;

Step 3 - Demerger of 'Demerged Undertaking' of FCL (subsequent to amalgamation of EFL with FCL) into FESL.

Subject to necessary approvals, ATPL and EFFSL would be amalgamated with EFL; EFL (subsequent to amalgamation of ATPL and EFFSL with EFL) would be amalgamated with FCL; and Demerged Undertaking of FCL (subsequent to amalgamation of EFL with FCL) would be demerged into FESL, with effect from appointed date of April 01, 2020 ('Appointed Date').

We are informed that the proposed demerger of Demerged Undertaking of FCL into FESL will be in accordance with the provisions of section 2(19AA) of the Income Tax Act, 1961.

1.2 Pursuant to the Scheme, since ATPL and EFFSL are wholly owned subsidiaries of EFL, no shares of EFL are proposed to be issued and allotted to shareholders of ATPL and EFFSL on amalgamation of ATPL and EFFSL with EFL. Pursuant to the Scheme, the entire paid up share capital of ATPL and EFFSL is proposed to be cancelled on amalgamation.

1.3 Further, pursuant to the Scheme, since EFL is a wholly owned subsidiary of FCL, no shares of FCL are proposed to be issued and allotted to shareholders of EFL on amalgamation of EFL (subsequent to amalgamation of ATPL and EFFSL) with FCL. Pursuant to the Scheme, the entire paid up share capital of EFL is proposed to be cancelled on amalgamation.

1.4 Since the beneficial ownership of EFL on amalgamation of ATPL and EFFSL with itself and of FCL on amalgamation of EFL with itself remain the same and considering the fact that existing shares held by EFL in ATPL and EFFSL and shares held by FCL in EFL will be cancelled on proposed amalgamations, there is no need for determining fair equity share

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exchange ratios for proposed amalgamations.

1.5 As a consideration for the Proposed Demerger, equity shareholders of FCL will be issued and allotted equity shares of face value of INR 10 each fully paid up of FESL. Pursuant to the Scheme, the entire paid up share capital of FESL (held by FCL pursuant to proposed amalgamation of EFL with FCL) is proposed to be cancelled prior to the Proposed Demerger.

1.6 In this regard, we have been requested to issue a report containing recommendation of fair equity share entitlement ratio for the Proposed Demerger.

2 BACKGROUND

2.1 Forbes & Company Limited

FCL, is a company engaged in the business of providing engineering services, which primarily includes products such as threading tools and carbide tools. It is also engaged in real-estate activities of renting of properties and real estate projects.

The standalone revenue from operations of FCL for the financial year ('FY') ended March 31, 2020 is INR 194.88 crores.

The issued, subscribed and paid up equity share capital of FCL as on March 31, 2020 is INR 12.90 crores comprising of 1,28,98,616 equity shares of INR 10 each fully paid up.

The equity shares of FCL are listed on the BSE Limited ('BSE').

2.2 Eureka Forbes Limited

EFL has its registered office located at 7, Chakraberia Road, Kolkata – 700 025 and is in the process of shifting its registered office from the state of West Bengal to the state of Maharashtra. EFL is a wholly owned subsidiary of FCL and is, inter-alia engaged in manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc.

2.3 Aquaignis Technologies Private Limited

ATPL has its registered office located at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. ATPL is a wholly owned subsidiary of EFL and is, inter-alia, engaged in manufacturing of electric water purifiers. The manufacturing facilities are situated at Lal Tappar Industrial Area in the state of Uttarakhand.

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2.4 **Euro Forbes Financial Services Limited**

EFFSL has its registered office located at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. EFFSL is a wholly owned subsidiary of EFL and currently has no business operations.

2.5 **Forbes Enviro Solutions Limited**

FESL has its registered office located at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. FESL is a wholly owned subsidiary of EFL and has main objects of the business of manufacturing of RO systems, Water Treatment Plants (WIP), Sewage Treatment Plants (STP), Effluent Treatment Plant (ETP) and AMC Contracts, trading of spares and drinking water (PDW).

3 SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following sources of information received from the Management and information available in the public domain:

(a) Draft Scheme of Arrangement.

(b) Such other information and explanations as we required and which have been provided by the Management, including Management Representation.

4 SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

4.1 Our report is subject to the scope limitations detailed hereinafter. 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.

4.2 This report has been prepared for the Board of Directors of the Companies solely for the purpose of recommending fair share entitlement ratio for the Proposed Demerger.

4.3 We have been represented by the Management that the Companies / Demerged Undertaking of FCL have clear and valid title of assets. No investigation on the Companies / Demerged Undertaking of FCL's claim to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid.

4.4 The Management has been provided with the opportunity to review the draft report (excluding the share entitlement ratio) as part of our standard practice to make sure that factual inaccuracies / omissions are avoided in our final report.

SSPA & CO. REGISTERED VALUER CHARTERED ACCOUNTANTS

4.5 For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies / its auditors / its consultants is that of the Company. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material facts about the Companies / Demerged Undertaking of FCL. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our conclusions. Our work does not constitute an audit, due diligence or certification of these information referred to in this report including information sourced from public domain. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any information referred to in this report and consequential impact on the present exercise. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.

4.6 This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies / Demerged Undertaking of FCL and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies / Demerged Undertaking of FCL. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.

4.7 The fee for the engagement and this report is not contingent upon the results reported.

4.8 This report is prepared only in connection with the Proposed Demerger exclusively for the use of the Companies and for submission to any regulatory / statutory authority as may be required under any law.

4.9 Our report is not, nor should it be construed as our opining or certifying the compliance of the Proposed Demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from such Proposed Demerger.

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4.10 Any person/party intending to provide finance / divest / invest in the shares / convertible instruments/business of the Companies / Demerged Undertaking of FCL shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

4.11 The decision to carry out the transaction (including consideration thereof) lies entirely with the Management/the Board of Directors of the Companies and our work and our finding shall not constitute a recommendation as to whether or not the Management / the Board of Directors should carry out the Proposed Demerger.

4.12 Our Report is meant for the purpose mentioned in Para 1 only 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. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.

4.13 SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. All such parties expressly disclaim any and all liability for or based on or relating to any such information contained in this report.

5 BASIS FOR DETERMINATION OF EQUITY SHARE ENTITLEMENT RATIO

5.1 As mentioned in Para 1.5 above, in consideration for the Proposed Demerger, FESL would issue equity shares to the equity shareholders of FCL.

5.2 Accordingly, the Management has recommended the following equity share entitlement ratio in consideration for the Proposed Demerger i.e. demerger of Demerged Undertaking of FCL into FESL:

15 (Fifteen) equity shares of INR 10 each fully paid up of FESL for every 1 (One) equity share of INR 10 each fully paid up held in FCL

5.3 We understand from the Management that for the Proposed Demerger, the share entitlement ratio is decided based on the Management's desired capital structure of FESL.

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6 CONCLUSION

6.1 Based on our review, information made available to us and discussions with the Management, in our opinion, the aforementioned share entitlement ratio in consideration for the Proposed Demerger of Demerged Undertaking of FCL into FESL is reasonable.

6.2 We believe that the aforementioned share entitlement ratio is fair considering that all the shareholders of FCL are the ultimate beneficial owners of FESL and upon Proposed Demerger, become the shareholders of FESL in the same ratio (inter se) as they hold equity shares in FCL.

6.3 As mentioned above, post the Proposed Demerger all the shareholders of FCL will become the shareholders of FESL in the same ratio (inter se) as they hold equity shares in FCL. Therefore, no relative valuation of Demerged Undertaking of FCL and of FESL is required to be undertaken for the Proposed Demerger. Accordingly, valuation approaches as indicated in the format (as shown below) as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

Valuation Approach	Demerged Undertaking of FCL		FESL	
	Value per Share (INR)	Weight	Value per Share (INR)	Weight
Asset approach	NA	NA	NA	NA
Income approach	NA	NA	NA	NA
Market approach	NA	NA	NA	NA
Relative Value Per Share	**NA**		**NA**	

NA = Not Applied / Applicable

Thank you,
Yours faithfully,

SSPA & CO.
REGISTERED VALUER
CHARTERED ACCOUNTANTS

SSPA & Co.
Chartered Accountants
ICAI Firm Registration Number: 128851W
Registered Valuer Number: IBBI/RV-E/06/2020/126

Signed by **Sujal Shah, Partner**
Membership No. 045816
UDIN: 20045816AAAAAZ3792
Place: Mumbai

SPA SECURITIES LIMITED (CIN: U74899MH1994PLC339302)
Regd. Office: 101-A, 10th Floor, Mittal Court, Nariman Point, Mumbai, 400021
Tel: +91 22 4043 9000; Fax: +91 22 4289 5676; Email: info@spasec.in
SEBI Merchant Banker Registration Code: **MB/INM000012740**

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The Board of Directors, **Forbes & Company Limited** Forbes Building, Charanjit Rai Marg Fort, Mumbai, 400 001, MH, India	The Board of Directors, **Forbes Enviro Solutions Limited** B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400 013, MH
The Board of Directors, **Aquaignis Technologies Private Limited** B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400 013, MH, India	The Board of Directors, **Euro Forbes Financial Services Limited** B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, 400 013, MH, India
The Board of Directors **Eureka Forbes Limited** 7, Chakraberia Road Kolkata, 700 025, WB, India	

Re: Fairness Opinion on Valuation Report by SSPA & Co. for fair equity share entitlement ratio for the proposed demerger of "Health and Safety Solutions Undertaking (which is being carried on by Eureka Forbes Limited at present)" of Forbes & Company Limited (referred here as "Demerged Undertaking") into Forbes Enviro Solutions Limited

ENGAGEMENT BACKROUND

In terms of our engagement letter dated September 03, 2020 with Forbes & Company Limited ("**FCL**" or "**Company**"), FCL has requested SPA Securities Limited ("SPA") to provide a fairness opinion on the 'Share Entitlement Ratio' in relation to the proposed demerger of Health and Safety Solutions Undertaking (which is being carried on by Eureka Forbes Limited at present)" of Forbes & Company Limited (referred here as "**Demerged Undertaking**") into Forbes Enviro Solutions Limited ("**FESL**"), under the composite Scheme of Arrangement ("**Scheme**") pursuant to the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 involving Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited, Forbes Enviro Solutions Limited and their respective Shareholders and Creditors.

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FCL has engaged SSPA & Co., Chartered Accountants ("Valuer") to determine and recommend the share entitlement ratio in terms of the requirements of SEBl CFD/DIL3/CIR12017/21 dated March 10, 2017, as amended from time to time ("SEBI Circular"). In this connection, we have been requested by FCL to render an opinion on whether the Share Entitlement Ratio determined and recommended by the Valuer vide their report dated September 08, 2020 is fair and reasonable to the shareholders of FCL from the financial point of view.

As per Valuer's recommendation, under the Scheme, the equity shareholders of FCL, as of the Record Date, will receive fifteen (15) fully paid up equity shares of FESL with the face value of INR Ten (10) each for every one (1) fully paid up equity shares of FCL with the face value of INR Ten (10) each.

BACKROUND OF COMPANIES

Forbes & Company Limited (FCL)

Forbes & Company Limited is a company engaged in the business of providing engineering services, which primarily includes products such as threading tools and carbide tools. It is also engaged in real-estate activities of renting of properties and real estate projects.

The standalone revenue from operations of FCL for the financial year ('FY') ended March 31, 2020 is INR 194.88 crores.

The issued, subscribed and paid up equity share capital of FCL as on March 31, 2020 is INR 12.90 crores comprising of 1,28,98,616 equity shares of INR 10 each fully paid up. The equity shares of FCL are listed on the BSE Limited ('BSE').

Eureka Forbes Limited (EFL)

Eureka Forbes Limited has its registered office located at 7, Chakraberia Road, Kolkata, 700 025, WB and is in the process of shifting its registered office from the state of West Bengal to the state of Maharashtra.

EFL is a wholly owned subsidiary of FCL and is, inter-alia engaged in manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water

SPA Securities Ltd.

treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguishers, etc.

Aquaignis Technologies Private Limited (ATPL)

ATPL has its registered office located at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. ATPL is a wholly owned subsidiary of EFL and is, inter-alia, engaged in manufacturing of electric water purifiers. The manufacturing facilities are situated at Lal Tappar Industrial Area in the state of Uttarakhand.

Euro Forbes Financial Services Limited (EFFSL)

EFFSL has its registered office located at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. EFFSL is a wholly owned subsidiary of EFL and currently has no business operations.

Forbes Enviro Solutions Limited (FESL)

FESL has its registered office located at B1/B2, 7th Floor, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013. FESL is a wholly owned subsidiary of EFL and has main objects of the business of manufacturing of RO systems, Water Treatment Plants (WIP), Sewage Treatment Plants (STP), Effluent Treatment Plant (ETP) and AMC Contracts, trading of spares and drinking water (PDW).

PURPOSE OF REPORT

We understand that the management of the Companies (hereinafter collectively referred to as the 'Management') are considering the following restructuring proposal pursuant to a composite scheme of arrangement under sections 230 to 232 and other applicable provisions of the Companies Act, 2013, including rules and regulations made thereunder:

Step 1 - Amalgamation of wholly owned subsidiaries of Eureka Forbes Limited ('EFL') viz. Aquaignis Technologies Private Limited ('ATPL') and Euro Forbes Financial Services Limited ('EFFSL') with EFL;

Step 2 - Amalgamation of EFL (subsequent to amalgamation of ATPL and EFFSL with EFL), a wholly owned subsidiary of FCL, with FCL;

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Step 3 - Demerger of 'Demerged Undertaking' of FCL (subsequent to amalgamation of EFL with FCL) into FESL.

Subject to necessary approvals, ATPL and EFFSL would be amalgamated with EFL; EFL (subsequent to amalgamation of ATPL and EFFSL with EFL) would be amalgamated with FCL; and Demerged Undertaking of FCL (subsequent to amalgamation of EFL with FCL) would be demerged into FESL, with effect from appointed date of April 01, 2020 ('Appointed Date').

We are informed that the proposed demerger of Demerged Undertaking of FCL into FESL will be in accordance with the provisions of section 2(19AA) of the Income Tax Act, 1961.

Pursuant to the Scheme, since ATPL and EFFSL are wholly owned subsidiaries of EFL, no shares of EFL are proposed to be issued and allotted to shareholders of ATPL and EFFSL on amalgamation of ATPL and EFFSL with EFL. Pursuant to the Scheme, the entire paid up share capital of ATPL and EFFSL is proposed to be cancelled on amalgamation.

Further, pursuant to the Scheme, since EFL is a wholly owned subsidiary of FCL, no shares of FCL are proposed to be issued and allotted to shareholders of EFL on amalgamation of EFL (subsequent to amalgamation of ATPL and EFFSL) with FCL. Pursuant to the Scheme, the entire paid up share capital of EFL is proposed to be cancelled on amalgamation.

Since the beneficial ownership of EFL on amalgamation of ATPL and EFFSL with itself and of FCL on amalgamation of EFL with itself remain the same and considering the fact that existing shares held by EFL in ATPL and EFFSL and shares held by FCL in EFL will be cancelled on proposed amalgamations, there is no need for determining fair equity share exchange ratios for proposed amalgamations.

As a consideration for the Proposed Demerger, equity shareholders of FCL will be issued and allotted equity shares of face value of INR 10 each fully paid up of FESL. Pursuant to the Scheme, the entire paid up share capital of FESL (held by FCL pursuant to proposed amalgamation of EFL with FCL) is proposed to be cancelled prior to the Proposed Demerger.

In this regard, we have been requested to issue a fairness opinion for the report containing recommendation of fair equity share entitlement ratio for the Proposed Demerger.

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INFORMATION RELIED UPON

- Draft Composite Scheme of Arrangement;
- Report of Valuation including information and documents relied upon for preparation of said valuation report by SSPA & Co. for Fair Equity share Entitlement Ratio for the Composite Scheme of Arrangement;
- Audited Financials of Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited, Forbes Enviro Solutions Limited for the year ended March 31, 2020
- Discussions (including oral) held with the Valuer and the management of FCL regarding the Scheme of Arrangement;
- Other relevant information and documents for the purpose of this engagement

Statement of Limiting Conditions: The Fairness Opinion Report has been prepared for the exclusive use of the management of FCL and/or for submission to the appropriate authorities in connection with the Scheme of Arrangement. Our fairness opinion is subject to the scope limitations detailed hereinafter. As such the fairness opinion is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Our work does not constitute an audit, due diligence or certification of the historical financial statements in relation to FCL including their respective working results or businesses referred. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this fairness opinion. Our analysis and results are specific to the purpose of the exercise of giving our fairness opinion on the Share Entitlement Ratio. It may not be valid for any other purpose or if provided on behalf of any other entity.

Our analysis and results are also specific to the date of this fairness opinion and based on information as on the date of this report. An exercise of this nature involves consideration of various factors. This fairness opinion is issued on the understanding that FCL has drawn our attention to all the matters which may have an impact on our opinion or on the Share Entitlement Ratio for the Scheme, including any significant changes that have taken place or are likely to take place in the financial position or businesses subsequent to the Appointed

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Date. We have no responsibility to update this fairness opinion for events and circumstances occurring after this date.

In the course of the present exercise, we were provided with both written and verbal information, including financial data. The terms of our engagement were such that we were entitled to rely upon the information provided without detailed inquiry. Also, we assume that the management of each of FCL, has not omitted any relevant and material factors for the purposes of the work which we have undertaken in connection with this fairness opinion.

We shall have no obligation to verify the accuracy or completeness of any information or express any opinion or offer any form of assurance regarding the accuracy or completeness of such information and shall not assume any liability therefor. We assume no responsibility whatsoever for any errors in the information furnished to us and their impact on the present exercise.

We express no opinion whatsoever and make no recommendation at all to the shareholders or secured or unsecured creditors of FCL, as to how they should vote at their respective meetings held in connection with the Scheme. We do not express and should not be deemed to have expressed any views on any other term of the Scheme. We also express no opinion and accordingly accept no responsibility with respect to the market prices at which the equity shares of FCL and FESL would trade following the announcement of the Scheme or as to their financial performance following the consummation of the Scheme. We also express no opinion on the likely market price of FCL and FESL post the consummation of the Scheme.

No investigation has been made with respect to the claim to title of assets of FCL for the purpose of this exercise and the same has been assumed to be valid. We have not placed any individual value on the assets of FCL and has also not considered any liens or encumbrances on the same. Further we have not opined and accordingly do not take responsibility whatsoever for matters of a legal nature. Also we are not opining on matters related to taxation. This fairness opinion should not be construed as a certification regarding the compliance of the Scheme with the provisions of any law including Companies Act, tax laws and capital market related laws or as regards any legal implications or issues arising from the Scheme.

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In the ordinary course of business, SPA Securities Limited and its affiliates is engaged in securities trading, securities brokerage and investment activities, as well as providing investment banking and investment advisory services. In the ordinary course of its trading, brokerage and financing activities, any member of SPA Securities Limited may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities or senior loans of any company that may be involved in the Scheme.

RATIONALE & CONCLUSION

In consideration for the Proposed Demerger, FESL would issue equity shares to the equity shareholders of FCL. Accordingly, the Management has recommended the following equity share entitlement ratio in consideration for the Proposed Demerger i.e. demerger of Demerged Undertaking of FCL into FESL: **15 (Fifteen) equity shares of INR 10 each fully paid up of FESL for every 1 (One) equity share of INR 10 each fully paid up held in FCL.**

We believe that the aforementioned share entitlement ratio is fair and reasonable considering that all the shareholders of FCL are the ultimate beneficial owners of FESL and upon Proposed Demerger, will become the shareholders of FESL in the same ratio (inter se) as they hold equity shares in FCL.

As mentioned above, post the Proposed Demerger all the shareholders of FCL will become the shareholders of FESL in the same ratio (inter se) as they hold equity shares in FCL. Therefore, no relative valuation of Demerged Undertaking of FCL and of FESL is required to be undertaken for the Proposed Demerger.

Based on our examination of the documents mentioned above including the draft scheme documents and the report issued by SSPA & Co., our discussion held with the management of FCL and other intermediaries as appointed by FCL in this regard and subject to the foregoing, including the various assumptions and limitations set forth herein, to the best of our

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knowledge and belief, we are of the opinion on the date hereof that from the financial point of view the Share Entitlement Ratio as provided in the valuation report in consideration for the Proposed Demerger of Demerged Undertaking of FCL into FESL is fair and reasonable.

For **SPA SECURITIES LIMITED**
(SEBI Regn. No.: **INM000012740**)

Rajiv Sharma

Rajiv Sharma
Assistant Vice President

SPA Securities Ltd.

Place: Mumbai
Date: September 08, 2020

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
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Corporate Identity Number: L67120MH2005PLC155188

EXPERIENCE THE NEW

DCS/AMAL/JR/R37/1875/2020-21 **"Revised E-Letter"** **January 12, 2021**

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

Dear Sir,

Sub: Observation letter regarding the Composite Scheme of Amalgamation and Arrangement amongst Aquaignis Technologies Private Limited & Euro Forbes Financial Services Limited & Eureka Forbes Limited and Forbes & Company Limited and Forbes Enviro Solutions Limited and their respective shareholders and creditors.

We are in receipt of Draft Composite Scheme of Amalgamation and Arrangement of Forbes & Company Limited filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its Letter dated January 08, 2021 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall duly comply with various provisions of the Circular."**
- **"Company shall ensure that the financials of the companies involved in the Scheme is updated and are not more than 6 months old."**
- **"Company shall ensure that additional information and undertakings, if any, submitted by the Company, after filing the scheme with the stock exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before 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 Enviro Solutions 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 Enviro Solutions 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 Enviro Solutions Limited is at the discretion of the Exchange. In addition to the above, the listing of Forbes Enviro Solutions Limited pursuant to the Composite Scheme of Amalgamation and 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 Enviro Solutions 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 Forbes Enviro Solutions 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 Enviro Solutions 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:

   i. 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."

   ii. "There shall be no change in the shareholding pattern of Forbes Enviro Solutions 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,

Sd/-

Nitinkumar Pujari
Senior Manager

November 21, 2020

To,
The Manager
Listing Department
BSE Limited, P J Towers,
Dalal Street, Fort,
Mumbai 400 001.

BSE Scrip Code: 502865

Dear Sir,

Sub: "Report on Complaints" in terms of Para 6 of Part I(A) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular') read with application made under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement for merger of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") with and into Eureka Forbes Limited ("EFL") followed by merger of Eureka Forbes Limited into Forbes & Company Limited ("FCL" or "the Company") and demerger of the Demerged Undertaking (as defined in the Scheme) of Forbes & Company Limited (post-merger) into Forbes Enviro Solutions Limited ("FESL") ("Scheme")

This is with reference to the captioned subject and application filed by the Company with BSE Limited on September 23, 2020 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 30, 2020.

In this regard, the Company wishes to submit that no complaints relating to the Scheme have been received during the period from October 30, 2020 to November 20, 2020. As required by Para I(A)(6) of Annexure I to the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, 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.

Thanking you,

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

PANKAJ
KHATTAR

Pankaj Khattar
Head Legal & Company Secretary

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

Shapoorji Pallonji

REPORT ON COMPLAINTS

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange	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**

PANKAJ KHATTAR

Digitally signed by PANKAJ KHATTAR
DN: c=IN, o=Personal,
2.5.4.20=3cf2fb92f27031ab6cded140e590055c3776e3b7c4e1b07c419045b13d828ead, postalCode=400706, st=MAHARASHTRA,
serialNumber=a2fafdd331318231c7d6bee9fd33ebc9d9a50ae672a1c9750ab9ff4488f59c8d, cn=PANKAJ KHATTAR
Date: 2020.11.21 16:17:10 +05'30'

Pankaj Khattar
Head Legal & Company Secretary

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

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Shapoorji Pallonji

It is hereby certified that the draft Scheme of Arrangement involving Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited and Forbes Enviro Solutions 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 this Circular, 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	Complied. Valuation Report dated September 8, 2020 has been submitted alongwith the application.
(d)	Para (I)(A)(5)	Auditors certificate regarding compliance with Accounting Standards.	Complied. Auditors certificate dated September 18, 2020 has been submitted alongwith the application.

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

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(e)	Para (I)(A)(9)	As conditions mentioned in Para (I)(A)(9) of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 are not triggered, no requirement of approval of majority of public shareholders. A certificate from statutory auditor of the company and an undertaking in this behalf is submitted by the Company separately.	Not Applicable. A certificate from Statutory Auditor dated September 8, 2020 and Undertaking for non-applicability submitted alongwith the application.

PANKAJ KHATTAR

MAHESH CHELARAM TAHILYANI

Pankaj Khattar

Company Secretary

Mahesh Tahilyani

Managing Director

Certified that the transactions / accounting treatment provided in the draft scheme of arrangement involving Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited, Eureka Forbes Limited, Forbes & Company Limited and Forbes Enviro Solutions Limited are in compliance with all the Accounting Standards applicable to a listed entity.

NIRMAL CHANDMAL JAGAWAT

MAHESH CHELARAM TAHILYANI

Nirmal Jagawat

Chief Financial Officer

Mahesh Tahilyani

Managing Director

REPORT OF THE BOARD OF DIRECTORS OF AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED
[Pursuant to Section 232(2)(c) of the Companies Act, 2013]

REPORT OF THE BOARD OF DIRECTORS OF AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED AT ITS MEETING HELD ON THE 8th DAY OF SEPTEMBER, 2020 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 Aquaignis Technologies Private Limited ("**ATPL**" or the **"Transferor Company 1" for Part II of the Scheme** or the "**Company**") at its meeting held on September 8, 2020, had, subject to the approval of members and/ or creditors, as may be required, and other relevant authorities, approved a draft composite scheme of arrangement between the Company, Euro Forbes Financial Services Limited (**"EFFSL"** or the "**Transferor Company 2" for Part II of the Scheme**), Eureka Forbes Limited (**"EFL"** or the **"Transferee Company 1" for Part II of the Scheme** or the **"Transferor Company 3" for Part III of the Scheme**), Forbes & Company Limited (**"FCL"** or the **"Transferee Company 2" for Part III of the Scheme** or the **"Demerged Company" for Part IV of the Scheme**) and Forbes Enviro Solutions Limited (**"FESL"** or the **"Resulting Company" for Part IV of the Scheme**), 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 merger of ATPL and EFFSL with and into EFL followed by merger of EFL with and into FCL and demerger of the demerged undertaking (as defined in the scheme) of FCL into FESL and their respective Shareholders.

1.2. **Relationship subsisting between the Companies involved in the Scheme**
- Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited and Forbes Enviro Solutions Limited are wholly owned subsidiaries of Eureka Forbes Limited.
- Eureka Forbes 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 8, 2020 issued by M/s SSPA & CO., Chartered Accountants

"15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL 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 8, 2020 submitted by SSPA & Co., Independent Chartered Accountants, for recommendation of the share exchange ratio;

- Fairness Opinion dated September 8, 2020 issued by SPA Securities Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Independent Chartered Accountants;

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

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

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

2.3. Under Part IV of the Scheme, on demerger of demerged undertaking from FCL to FESL, both the promoter and non-promoter shareholders of FCL will receive shares in FESL as per terms and conditions, detailed in the Scheme of Arrangement.

2.4. FESL 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 FESL to the extent of equity share capital held by FCL (Pre-demerger) in FESL.

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

3.1. The Directors, KMP and their respective relatives of the Company may be affected only to the extent of their shareholding in respective companies involved in the scheme 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 companies involved in the scheme, if any. Save as aforesaid, none of the Directors / KMP of the company have any material interest in the Scheme.

3.2. Details of the Directors, KMP and their respective relatives of ATPL with their shareholding in the Companies involved in the Scheme as on 8th September, 2020 are as under:

Sr No	Name	Number of shares held				
		ATPL	EFFSL	EFL	FCL	FESL
1	Marzin Roomi Shroff Non-Executive, Non-Independent Nominee Director	1*	1*	NIL	NIL	1*
2	Suresh Redhu Non-Executive, Non-Independent Director	1*	NIL	NIL	NIL	NIL
3	Kavita Govindlal Gandhi Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	1*
4	Chintan Nikhil Kamdar Company Secretary	NIL	NIL	NIL	NIL	NIL

*Nominee of EFL

None of the relatives of the Directors or KMPs hold any share in the companies involved in the Scheme.

For and Behalf of the Board

For Aquaignis Technologies Private Limited

sd/-

Kavita Govindlal Gandhi

Date: 8th September, 2020

REPORT OF THE BOARD OF DIRECTORS OF EURO FORBES FINANCIAL SERVICES LIMITED
[Pursuant to Section 232(2)(c) of the Companies Act, 2013]

REPORT OF THE BOARD OF DIRECTORS OF EURO FORBES FINANCIAL SERVICES LIMITED AT ITS MEETING HELD ON THE 8th DAY OF SEPTEMBER, 2020 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 Euro Forbes Financial Services Limited (**"EFFSL"** or the "**Transferor Company 2" for Part II of the Scheme** or the "**Company**") at its meeting held on September 8, 2020, had, subject to the approval of members and/ or creditors, as may be required, and other relevant authorities, approved a draft composite scheme of arrangement between the Company, Aquaignis Technologies Private Limited ("**ATPL**" or the **"Transferor Company 1" for Part II of the Scheme**), Eureka Forbes Limited (**"EFL"** or the **"Transferee Company 1" for Part II of the Scheme** or the **"Transferor Company 3" for Part III of the Scheme**), Forbes & Company Limited (**"FCL"** or the **"Transferee Company 2" for Part III of the Scheme** or the **"Demerged Company" for Part IV of the Scheme**) and Forbes Enviro Solutions Limited (**"FESL"** or the **"Resulting Company" for Part IV of the Scheme**), 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 merger of ATPL and EFFSL with and into EFL followed by merger of EFL with and into FCL and demerger of the demerged undertaking (as defined in the scheme) of FCL into FESL and their respective Shareholders.

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

- Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited and Forbes Enviro Solutions Limited are wholly owned subsidiaries of Eureka Forbes Limited.
- Eureka Forbes 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 8, 2020 issued by M/s SSPA & CO., Chartered Accountants

"15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL 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 8, 2020 submitted by SSPA & Co., Independent Chartered Accountants, for recommendation of the share exchange ratio;

- Fairness Opinion dated September 8, 2020 issued by SPA Securities Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Independent Chartered Accountants;

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

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

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

2.3. Under Part IV of the Scheme, on demerger of demerged undertaking from FCL to FESL, both the promoter and non-promoter shareholders of FCL will receive shares in FESL as per terms and conditions, detailed in the Scheme of Arrangement.

2.4. FESL 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 FESL to the extent of equity share capital held by FCL (Pre-demerger) in FESL.

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

3.1. The Directors, KMP and their respective relatives of the Company may be affected only to the extent of their shareholding in respective companies involved in the scheme 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 companies involved in the scheme, if any. Save as aforesaid, none of the Directors / KMP of the company have any material interest in the Scheme.

3.2. Details of the Directors, KMP and their respective relatives of EFFSL with their shareholding in the Companies involved in the Scheme as on 8th September, 2020 are as under:

Sr No	Name	Number of shares held				
		ATPL	EFFSL	EFL	FCL	FESL
1	Marzin Roomi Shroff Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	1*
2	Vikram Surendran Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	NIL
3	Rajagopalan Sambamoorthy Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	1*

*Nominee of EFL

None of the relatives of the Directors or KMPs hold any share in the companies involved in the Scheme.

For and Behalf of the Board

For Euro Forbes Financial Services Limited

sd/-

Rajagopalan Sambamoorthy

Date: 8th September, 2020

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

REPORT OF THE BOARD OF DIRECTORS OF EUREKA FORBES LIMITED AT ITS MEETING HELD ON THE 8th DAY OF SEPTEMBER, 2020 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 Eureka Forbes Limited (**"EFL"** or the **"Transferee Company 1" for Part II of the Scheme** or the **"Transferor Company 3" for Part III of the Scheme** or the "**Company**") at its meeting held on September 8, 2020, had, subject to the approval of members and/ or creditors, as may be required, and other relevant authorities, approved a draft composite scheme of arrangement between the Company, Aquaignis Technologies Private Limited ("**ATPL**" or the **"Transferor Company 1" for Part II of the Scheme),** Euro Forbes Financial Services Limited (**"EFFSL"** or the "**Transferor Company 2" for Part II of the Scheme**), Forbes & Company Limited (**"FCL"** or the **"Transferee Company 2" for Part III of the Scheme** or the **"Demerged Company" for Part IV of the Scheme**) and Forbes Enviro Solutions Limited (**"FESL"** or the **"Resulting Company" for Part IV of the Scheme**), 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 merger of ATPL and EFFSL with and into EFL followed by merger of EFL with and into FCL and demerger of the demerged undertaking (as defined in the scheme) of FCL into FESL and their respective Shareholders.

1.2. **Relationship subsisting between the Companies involved in the Scheme**
- Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited and Forbes Enviro Solutions Limited are wholly owned subsidiaries of Eureka Forbes Limited.
- Eureka Forbes 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 8, 2020 issued by M/s SSPA & CO., Chartered Accountants

"15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL 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 the Board of Directors of the Company;
- Report on recommendation of fair equity share entitlement ratio dated September 8, 2020 submitted by SSPA & Co., Independent Chartered Accountants, for recommendation of the share exchange ratio;
- Fairness Opinion dated September 8, 2020 issued by SPA Securities Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Independent Chartered Accountants;

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

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

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

2.3. Under Part IV of the Scheme, on demerger of demerged undertaking from FCL to FESL, both the promoter and non-promoter shareholders of FCL will receive shares in FESL as per terms and conditions, detailed in the Scheme of Arrangement.

2.4. FESL 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 FESL to the extent of equity share capital held by FCL (Pre-demerger) in FESL.

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

3.1. The Directors, KMP and their respective relatives of the Company may be affected only to the extent of their shareholding in respective companies involved in the scheme 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 companies involved in the scheme, if any. Save as aforesaid, none of the Directors / KMP of the company have any material interest in the Scheme.

3.2. Details of the Directors, KMP and their respective relatives of EFL with their shareholding in the Companies involved in the Scheme as on 8th September, 2020 are as under:

Sr No	Name	Number of shares held				
		ATPL	EFFSL	EFL	FCL	FESL
1	Shapoorji Pallonji Mistry Chairman Non-Executive, Non-Independent Director	NIL	NIL	NIL	NIL	NIL
2	Marzin Roomi Shroff Managing Director & CEO Executive, Non-Independent Director	1*	1*	NIL	NIL	1*
3	Indu Ranjit Shahani Non-Executive, Independent Director	NIL	NIL	NIL	NIL	NIL
4	Homi Adi Katgara Non-Executive, Independent Director	NIL	NIL	NIL	NIL	NIL
5	Anil Vasudev Kamath Non-Executive, Independent Director	NIL	NIL	NIL	NIL	NIL
6	Sivanandhan Dhanushkodi Non-Executive, Independent Director	NIL	NIL	NIL	NIL	NIL
7	Pallon Shapoorji Mistry Non-Executive, Non-Independent Director	NIL	NIL	NIL	NIL	NIL
8	Jai Laxmikant Mavani Non-Executive, Non-Independent Director	NIL	NIL	NIL	NIL	NIL
9	Mahesh Tahilyani Chelaram Non-Executive, Non-Independent Director	NIL	NIL	1^	NIL	NIL
10	Shankar Krishnan Subramanian Non-Executive, Non-Independent Director	NIL	NIL	NIL	NIL	NIL
11	Rajagopalan Sambamoorthy Chief Financial Officer	1*	1*	NIL	NIL	1*
12	Dattaram Pandurang Shinde Company Secretary & Head - Legal	1*	1*	NIL	NIL	1*

* Nominee of EFL
^ Nominee of FCL

None of the relatives of the Directors or KMPs hold any share in the companies involved in the Scheme.

For and Behalf of the Board
For Eureka Forbes Limited
sd/-
Marzin Roomi Shroff
Date: 8th September, 2020

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 8th DAY OF SEPTEMBER, 2020 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 "**Transferee Company 2" for Part III of the Scheme** or the **"Demerged Company" for Part IV of the Scheme** or the "**Company**") at its meeting held on September 8, 2020, had, subject to the approval of members and/ or creditors, as may be required, and other relevant authorities, approved a draft composite scheme of arrangement between the Company, Aquaignis Technologies Private Limited (**"ATPL"** or the **"Transferor Company 1" for Part II of the Scheme**), Euro Forbes Financial Services Limited (**"EFFSL"** or the "**Transferor Company 2" for Part II of the Scheme**), Eureka Forbes limited (**"EFL"** or the **"Transferee Company 1" for Part II of the Scheme** or the **"Transferor Company 3" for Part III of the Scheme**) and Forbes Enviro Solutions Limited (**"FESL"** or the **"Resulting Company" for Part IV of the Scheme**) 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 merger of ATPL and EFFSL with and into EFL followed by merger of EFL with and into FCL and demerger of the demerged undertaking (as defined in the scheme) of FCL into FESL and their respective Shareholders.

1.2. **Relationship subsisting between the Companies involved in the Scheme**
- Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited and Forbes Enviro Solutions Limited are wholly owned subsidiaries of Eureka Forbes Limited.
- Eureka Forbes 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 8, 2020 issued by M/s SSPA & CO., Chartered Accountants

"15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL 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 of the Board of Directors of the Company;

- Report on recommendation of fair equity share entitlement ratio dated September 8, 2020 submitted by SSPA & Co., Independent Chartered Accountants, for recommendation of the share exchange ratio;

- Fairness Opinion dated September 8, 2020 issued by SPA Securities Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Independent Chartered Accountants;

- Undertaking by the Company for non-applicability of majority of minority approval in terms of Para I(A)(9)(c) of Annexure 1 of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017;

- Certificate by the statutory auditors of the Company in respect of the Undertaking; and

- Audited financial statements of ATPL, EFFSL, EFL, the Company and FESL for the last 3 years, subject to their respective date of incorporation.

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 ATPL and EFFSL is held by EFL. Upon the Part II of the Scheme becoming effective, the entire equity share capital of ATPL and EFFSL held by EFL shall stand automatically cancelled and there will not be any issue and allotment of equity shares in EFL.

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

2.3. Under Part IV of the Scheme, on demerger of demerged undertaking from FCL to FESL, both the promoter and non-promoter shareholders of FCL will receive shares in FESL as per terms and conditions, detailed in the Scheme of Arrangement.

2.4. FESL 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 FESL to the extent of equity share capital held by FCL (Pre-demerger) in FESL.

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 8, 2020 are as under:

Sr. No.	Name	Nos. of Shares held				
		FCL	ATPL	EFFSL	EFL	FESL
1	Shapoorji Pallonji Mistry Chairman Non-Executive,Non-Independent	Nil	Nil	Nil	Nil	Nil
2	Mahesh Tahilyani Chelaram Managing Director Non-Independent, Executive	Nil	Nil	Nil	1 *	Nil
3	Sivanandhan Dhanushkodi Director Non-Executive, Independent	Nil	Nil	Nil	Nil	Nil
4	Jai Laxmikant Mavani Director Non-Executive,Non-Independent	Nil	Nil	Nil	Nil	Nil
5	Rani Ajit Jadhav Director Non-Executive, Independent	Nil	Nil	Nil	Nil	Nil
6	Nikhil Jaysinh Bhatia Director Non-Executive, Independent	Nil	Nil	Nil	Nil	Nil
7	Nirmal Chandmal Jagawat Chief Financial Officer	Nil	Nil	Nil	Nil	Nil
8	Pankaj Khattar Head Legal & Company Secretary	Nil	Nil	Nil	Nil	Nil

* Nominee of FCL

For and Behalf of the Board

For Forbes & Company Limited

Sd/-

M.C. Tahilyani

Dated: September 8, 2020

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

REPORT OF THE BOARD OF DIRECTORS OF FORBES ENVIRO SOLUTIONS LIMITED AT ITS MEETING HELD ON THE 8th DAY OF SEPTEMBER, 2020 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 Enviro Solutions Limited ("**FESL**" or the **"Resulting Company" for Part IV of the Scheme** or the "**Company**") at its meeting held on September 8, 2020, had, subject to the approval of members and/ or creditors, as may be required, and other relevant authorities, approved a draft composite scheme of arrangement between the Company, Aquaignis Technologies Private Limited (**"ATPL"** or the **"Transferor Company 1" for Part II of the Scheme**), Euro Forbes Financial Services Limited (**"EFFSL"** or the "**Transferor Company 2" for Part II of the Scheme**), Eureka Forbes Limited (**"EFL"** or the **"Transferee Company 1" for Part II of the Scheme** or the **"Transferor Company 3" for Part III of the Scheme**) and Forbes & Company Limited (**"FCL"** or the **"Transferee Company 2" for Part III of the Scheme** or the **"Demerged Company" for Part IV of the Scheme**) 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 merger of ATPL and EFFSL with and into EFL followed by merger of EFL with and into FCL and demerger of the demerged undertaking (as defined in the scheme) of FCL into FESL and their respective Shareholders.

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

- Aquaignis Technologies Private Limited, Euro Forbes Financial Services Limited and Forbes Enviro Solutions Limited are wholly owned subsidiaries of Eureka Forbes Limited.
- Eureka Forbes 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 8, 2020 issued by M/s SSPA & CO., Chartered Accountants

"15 (Fifteen) fully paid up Equity Shares of INR 10/-each of FESL 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 8, 2020 submitted by SSPA & Co., Independent Chartered Accountants, for recommendation of the share exchange ratio;
- Fairness Opinion dated September 8, 2020 issued by SPA Securities Limited, a SEBI registered Merchant Banker providing the Fair Opinion on the report on recommendation of fair equity share entitlement ratio by Independent Chartered Accountants;

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

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

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

2.3. Under Part IV of the Scheme, on demerger of demerged undertaking from FCL to FESL, both the promoter and non-promoter shareholders of FCL will receive shares in FESL as per terms and conditions, detailed in the Scheme of Arrangement.

2.4. FESL 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 FESL to the extent of equity share capital held by FCL (Pre-demerger) in FESL.

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

3.1. The Directors, KMP and their respective relatives of the Company may be affected only to the extent of their shareholding in respective companies involved in the scheme 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 companies involved in the scheme, if any. Save as aforesaid, none of the Directors / KMP of the company have any material interest in the Scheme.

3.2. Details of the Directors, KMP and their respective relatives of FESL with their shareholding in the Companies involved in the Scheme as on 8th September, 2020 are as under:

Sr No	Name	Number of shares held				
		ATPL	EFFSL	EFL	FCL	FESL
1	Marzin R Shroff Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	1*
2	Vikram Surendran Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	NIL
3	Rajagopalan Sambamoorthy Non-Executive, Non-Independent Director	1*	1*	NIL	NIL	1*
4	Suresh Redhu Non-Executive, Non-Independent Director	1*	NIL	NIL	NIL	NIL
5	Ashu Khanna Non-Executive, Non-Independent Director	NIL	NIL	NIL	NIL	NIL

*Nominee of EFL

None of the relatives of the Directors or KMPs hold any share in the companies involved in the Scheme.

For and Behalf of the Board

For Forbes Enviro Solutions Limited

sd/-

Rajagopalan Sambamoorthy

Date: 8th September, 2020

Annexure H

Pre-Scheme Shareholding Pattern of Aquaignis Technologies Private Limited as on June 30, 2021

Name of Shareholder	No. of shares held
Promoter:	
Eureka Forbes Limited	**58,55,727**
Others:	
Eureka Forbes Limited jointly with Mr. Marzin R Shroff*	1
Eureka Forbes Limited jointly with Mr. Vikram Surendran*	1
Eureka Forbes Limited jointly with Mr. R S Moorthy*	1
Eureka Forbes Limited jointly with Mr. Suresh Redhu*	1
Eureka Forbes Limited jointly with Ms. Kavita Gandhi*	1
Eureka Forbes Limited jointly with Mr. Dattaram P Shinde*	1
Eureka Forbes Limited jointly with Mr. Sachikant Chaudhury*	1
Total	**58,55,734**

**Nominees of Eureka Forbes Limited*

Aquaignis Technologies Private Limited will cease to exist post-scheme.

Pre-Scheme Shareholding Pattern of Euro Forbes Financial Services Limited as on June 30, 2021

Name of Shareholder	No. of shares held
Promoter:	
Eureka Forbes Limited	**49,994**
Others:	
Eureka Forbes Limited jointly with Mr. Marzin R Shroff*	1
Eureka Forbes Limited jointly with Mr. Vikram Surendran*	1
Eureka Forbes Limited jointly with Mr. R S Moorthy*	1
Eureka Forbes Limited jointly with Ms. Kavita Gandhi*	1
Eureka Forbes Limited jointly with Mr. Shashank Sinha*	1
Eureka Forbes Limited jointly with Mr. Dattaram P Shinde*	1
Total	**50,000**

**Nominees of Eureka Forbes Limited*

Euro Forbes Financial Services Limited will cease to exist post-scheme.

Pre-Scheme Shareholding Pattern of Eureka Forbes Limited as on June 30, 2021

Name of Shareholder	No. of shares held
Promoter:	
Forbes & Company Limited	**37,77,994**
Others:	
Forbes & Company Limited jointly with Mr. Mahesh Tahilyani*	1
Forbes & Company Limited jointly with Mr. Nirmal Jagawat*	1
Forbes & Company Limited jointly with Mr. Shrikrishna M Bhave*	1
Forbes & Company Limited jointly with Mr. Pankaj Khattar*	1

Name of Shareholder	No. of shares held
Forbes & Company Limited jointly with Mr. S P Kadakia*	1
Forbes & Company Limited jointly with Mr. Shatrughan Rane*	1
Total	**37,78,000**

**Nominees of Forbes & Company Limited*

Eureka Forbes Limited will cease to exist post-scheme.

Pre Shareholding Pattern of Forbes & Company Limited as on June 30, 2021 and Post Shareholding Pattern of Forbes & Company Limited.

S. No.	Category	Equity Share (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	-	-	-
	Sub Total (A)(2)	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group [A=(A)(1)+(A)(2)]	**95,25,691**	**10**	**73.85%**
(B)	**Public Shareholding**			
1	**Institutions**			
(a)	Mutual Funds	142	10	0.00%
(b)	Alternate Investment Funds	2,893	10	0.02%
(c)	Foreign Portfolio Investors	14,81,146	10	11.48%
(d)	Financial Institutions/ Banks	12,990	10	0.10%
	Sub Total (B)(1)	**14,97,171**	**10**	**11.61%**
2	**Central Government/ State Government(s)/ President of India**	**1,10,343**	**10**	**0.86%**
	Sub Total (B)(2)	**1,10,343**	**10**	**0.86%**
3	**Non-Institutions**			
(a)	(i) Individual shareholders holding nominal share capital upto Rs. 2 Lacs	11,11,194	10	8.61%
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs	1,71,033	10	1.33%
(b)	Any Other (specify)			
	Bodies Corporate	*1,65,556*	*10*	*1.28%*
	Clearing Members	*12,214*	*10*	*0.09%*
	HUF	*89,421*	*10*	*0.69%*
	Non-Resident Indians (NRI)	*26,472*	*10*	*0.21%*
	IEPF	*1,63,595*	*10*	*1.27%*
	Trusts	*3,402*	*10*	*0.03%*
	LLP	*21,754*	*10*	*0.17%*
	Foreign Nationals	*770*	*10*	*0.01%*
	Sub Total (B)(3)	**17,65,411**	**10**	**13.69%**
	Total Public Shareholding [(B)= (B)(1)+(B)(2)+(B)(3)]	**33,72,925**	**10**	**26.15%**
(C)	**Non-Promoter Non-Public**	**-**	**-**	**-**
	Total Shareholding [(A)+(B)+(C)]	**1,28,98,616**	**10**	**100.00%**

Pre-Scheme Shareholding Pattern of Forbes Enviro Solutions Limited as on June 30, 2021

Name of Shareholder	No. of shares held
Promoter:	
Eureka Forbes Limited	**48,27,257**
Others:	
Eureka Forbes Limited jointly with Mr. Marzin R Shroff*	1
Eureka Forbes Limited jointly with Mr. R S Moorthy*	1
Eureka Forbes Limited jointly with Mr. Aslam Karmali*	1
Eureka Forbes Limited jointly with Ms. Kavita Gandhi*	1
Eureka Forbes Limited jointly with Mr. Shashank Sinha*	1
Eureka Forbes Limited jointly with Mr. Dattaram P Shinde*	1
Total	**48,27,263**

**Nominees of Eureka Forbes Limited*

Post-Scheme Shareholding Pattern of Forbes Enviro Solutions Limited.

S. No.	Category	Equity Share (Nos)	Face Value per share	Shareholding (%)
(A)	**Promoter & Promoter Group**			
1	**Indian**			
(a)	Bodies Corporate	14,28,85,365	10	73.85%
	Sub Total (A)(1)	**14,28,85,365**	**10**	**73.85%**
2	Foreign	-	-	-
	Sub Total (A)(2)	**-**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group [A=(A)(1)+(A)(2)]	**14,28,85,365**	**10**	**73.85%**
(B)	**Public Shareholding**			
1	**Institutions**			
(a)	Mutual Funds	2,130	10	0.00%
(b)	Alternate Investment Funds	43,395	10	0.02%
(c)	Foreign Portfolio Investors	2,22,17,190	10	11.48%
(d)	Financial Institutions/ Banks	1,94,850	10	0.10%
	Sub Total (B)(1)	**2,24,57,565**	**10**	**11.61%**
2	**Central Government/ State Government(s)/ President of India**	**16,55,145**	**10**	**0.86%**
	Sub Total (B)(2)	**16,55,145**	**10**	**0.86%**
3	**Non-Institutions**			
(a)	(i) Individual shareholders holding nominal share capital upto Rs. 2 Lacs	1,66,67,910	10	8.61%
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lacs	25,65,495	10	1.33%
(b)	Any Other (specify)			
	Bodies Corporate	*24,83,340*	*10*	*1.28%*
	Clearing Members	*1,83,210*	*10*	*0.09%*
	HUF	*13,41,315*	*10*	*0.69%*
	Non-Resident Indians (NRI)	*3,97,080*	*10*	*0.21%*
	IEPF	*24,53,925*	*10*	*1.27%*
	Trusts	*51,030*	*10*	*0.03%*
	LLP	*3,26,310*		*0.17%*
	Foreign Nationals	*11,550*	*10*	*0.01%*
	Sub Total (B)(3)	**2,64,81,165**	**10**	**13.69%**
	Total Public Shareholding [(B)= (B)(1)+(B)(2)+(B)(3)]	**5,05,93,875**	**10**	**26.15%**
(C)	**Non-Promoter Non-Public**	**-**	**-**	**-**
	Total Shareholding [(A)+(B)+(C)]	**19,34,79,240**	**10**	**100.00%**

INDEPENDENT AUDITOR'S REPORT

To the Members of Aquaignis Technologies Pvt. Ltd.

Report on the Audit of the Financial

Statements Opinion

We have audited the accompanying financial statements of Aquaignis Technologies Pvt Ltd ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, there is no remuneration paid by the Company to its directors during the year under the provisions of section 197 of the Act

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

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

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

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

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

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN : 21111749AAAADN7819

Place : Mumbai
Date : 21 May, 2021

Annexure - A to the Auditors' Report

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

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

(b) Fixed Assets have not been physically verified by the management during the year, hence we are not able to comment on discrepancies if any.

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

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on verification between the physical stocks and book records were not material.

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

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

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

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

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

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

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

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

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

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

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

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

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

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN : 21111749AAAADN7819

Place : Mumbai
Date : 21 May, 2021

Annexure - B to the Auditors' Report

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

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

We have audited the Internal Financial Controls over financial reporting of Aquaignis Technologies Pvt Ltd ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Kaushal Mehta
Partner
Membership No.111749
ICAI UDIN : 21111749AAAADN7819

Place : Mumbai
Date : 21 May 2021

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2021

			Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	4		1,35,65,971		1,54,01,117
(b)		Right of use of Assets	4		57,72,533		87,25,760
(d)		Financial assets					
	(i)	Other financial assets	8	2,00,977	2,00,977	1,85,524	1,85,524
(e)		Tax assets					
	(i)	Income Tax Asset (Net)	11	1,14,632		73,980	
	(ii)	Deferred Tax Asset (Net)	12	-	1,14,632	-	73,980
(f)		Other non-current assets	10		-		-
		Total Non-current Assets			1,96,54,113		2,43,86,381
		Current Assets					
(a)		Inventories	6		1,35,54,751		1,62,21,147
(b)		Financial assets					
	(i)	Trade receivables	7	1,31,92,328		1,59,81,518	
	(ii)	Cash and cash equivalents	9	67,258	1,32,59,586	1,45,075	1,61,26,593
(c)		Other current assets	10		1,05,28,063		37,38,176
					3,73,42,400		3,60,85,916
		Total Current Assets			3,73,42,400		3,60,85,916
		Total Assets			5,69,96,513		6,04,72,297

BALANCE SHEET AS AT 31ST MARCH, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	**13**	5,85,57,340		5,85,57,340	
(b)	Other Equity	**14**	(3,42,56,605)		(2,76,23,574)	
	Equity attributable to owners of the Company			2,43,00,735		3,09,33,766
	Total Equity			**2,43,00,735**		**3,09,33,766**
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Lease Liabilities	**17**	38,07,562		68,17,297	
(ii)	Other financial liabilities	**17**	-	38,07,562	-	68,17,297
(b)	Provisions	**18**		1,50,750		1,29,423
	Total Non-current Liabilities			**39,58,312**		**69,46,720**
	Current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	**15**	1,68,63,266		1,36,50,090	
(ii)	Trade and other payables :					
	Total outstanding dues to micro enterprise and small enterprises.		38,62,225		16,51,048	
	Total outstanding dues to creditors other than micro enterprise and small enterprises.	**16**	43,10,516		38,31,053	
(iii)	Lease Liabilities	**17**	29,01,743		26,53,689	
(iv)	Other financial liabilities	**17**	7,02,885	2,86,40,635	6,67,953	2,24,53,833

BALANCE SHEET AS AT 31ST MARCH, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
(b)	Provisions	18		4,305		3,187
(c)	Other current liabilities	19		92,526		1,34,791
				2,87,37,466		2,25,91,811
	Total Current Liabilities			**2,87,37,466**		**2,25,91,811**
	Total Liabilities			**3,26,95,778**		**2,95,38,531**
	Total Equity and Liabilities			**5,69,96,513**		**6,04,72,297**
				-		-

As per our report of even date

For and on behalf of the Board of Directors

Significant accounting policies 3

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

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

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

Statement of Profit and Loss for the year ended 31st March, 2021

		Notes	For the year ended March 31, 2021 ₹	For the year ended March 31, 2020 ₹
I	**Income**			
	Revenue from Operations	20	6,77,92,223	7,30,91,396
	Other income and other gains / (losses)	21	16,15,632	12,14,509
	Total Income		**6,94,07,855**	**7,43,05,905**
II	**Expenses**			
	Cost of materials consumed		5,83,87,181	5,63,83,981
	Purchases of stock-in-trade		8,10,021	17,01,593
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(3,77,998)	18,15,891
	Employee benefits expense	23	16,00,614	15,43,664
	Finance costs	24	25,04,119	25,00,417
	Depreciation and amortisation expense	25	46,19,393	46,75,137
	Other expenses	26	84,96,592	92,39,088
	Total expenses		**7,60,39,922**	**7,78,59,771**
III	**Profit / (Loss) before exceptional items and tax**		**(66,32,067)**	**(35,53,866)**
	Add/ (Less) : Exceptional items			-
IV	**Profit / (Loss) before tax**		**(66,32,067)**	**(35,53,866)**
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
			-	**-**
V	**Profit / (Loss) for the year**		**(66,32,067)**	**(35,53,866)**
VI	**Profit / (Loss) for the year**		**(66,32,067)**	**(35,53,866)**
VII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans		**(964)**	**(1,520)**
(b)	Equity instruments through other comprehensive income		**-**	**-**
(c)	Income tax relating to items that will not be reclassified to profit or loss		-	-
			(964)	**(1,520)**
B	Items that may be reclassified to profit or loss			
(a)	Income tax relating to items that may be reclassified to profit or loss		-	-
			-	**-**
	Total other comprehensive income (A + B)		**(964)**	**(1,520)**
	Total comprehensive income for the period (VII+VIII)		**(66,33,031)**	**(35,55,386)**
	Earnings per equity share:	27		
	(1) Basic & Diluted (in Rs.)		(1.13)	(0.61)

As per our report of even date

For and on behalf of the Board of Directors

Significant accounting policies **3**

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

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

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Mr. Chintan Kamdar *Company Secretary*

Kaushal Mehta
Partner
Membership No. 111749

Place: Mumbai
Date: 21st May 2021

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

Cash Flow Statement for the year ended 31st March, 2021

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
		₹	₹
Cash flows from operating activities			
Profit / Loss for the year		(66,32,067)	(35,53,866)
Adjustments for:			
Finance costs		17,05,743	14,74,751
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116		7,98,376	10,25,666
Interest Income		(15,453)	(13,128)
Depreciation and amortisation of non-current assets		18,47,059	18,36,357
Depreciation and amortisation of non-current assets of financial leased assets as per Ind AS 116		27,72,334	28,38,780
Loss/ (Gain) on disposal of property, plant and equipment		2,373	-
Net foreign exchange (gain)/loss - unrealised		55,716	(1,75,348)
		5,34,081	**34,33,212**
Movements in working capital:			
(Increase)/decrease in trade and other receivables		27,89,190	(34,14,026)
(Increase)/decrease in inventories		26,66,396	14,75,811
(Increase)/decrease in current Other Assets		(67,89,887)	(17,64,889)
Increase/ (Decrease) in trade and other payables		26,34,924	(16,62,164)
Increase/(Decrease) in provisions		21,481	23,058
Increase/(Decrease) in other liabilities		(7,333)	(4,26,421)
		13,14,771	(57,68,631)
Cash generated from operations		**18,48,852**	**(23,35,419)**
Income taxes paid		(40,652)	(69,398)
Net cash generated by operating activities		**18,08,200**	**(24,04,817)**
Cash flows from investing activities			
Payments for property, plant and equipment		(16,000)	(2,15,225)
Proceeds from disposal of property, plant and equipment		1,714	-
Net cash (used in)/generated by investing activities		(14,286)	(2,15,225)
Cash flows from financing activities (Refer note)			
Net increase / (decrease) in working capital borrowings		32,13,176	72,49,283
Interest paid		(17,05,743)	(14,74,751)
Principal payment of Lease liabilities		(33,79,164)	(31,19,220)
Net cash used in financing activities		(18,71,731)	26,55,312
Net increase in cash and cash equivalents		(77,817)	35,270
Cash and cash equivalents at the beginning of the year		1,45,075	1,09,805
Cash and cash equivalents at the end of the year		**67,258**	**1,45,075**

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

Movement in Short-term Borrowings

Particulars	2020-21	2019-20
Opening balance	1,36,50,090	64,00,807
Cash in-flows	4,60,92,779	1,96,31,321
Cash out-flows	4,93,05,954	2,68,80,604
Closing balance	1,68,63,265	1,36,50,090

As per our report of even date

For and on behalf of the Board of Directors

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

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

Mr. Marzin Roomi Shroff

Ms. Kavita Gandhi

Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

Statement of changes in equity for the year ended March 31, 2020

a. Equity share capital	Amount ₹
Balance at April 1, 2019	5,85,57,340
Changes in equity share capital during the year	-
Balance at March 31, 2020	**5,85,57,340**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**5,85,57,340**

B. Other Equity

	Reserves and surplus		Items Of Other Comprehensive Income		Total Other Equity
	Retained earnings	Total	Other items of other comprehensive income (re-measurement of defined benefits)	Total	
	₹	₹	₹	₹	₹
Balance at March 31, 2019	**(2,40,68,188)**	**(2,40,68,188)**	**-**	**-**	**(2,40,68,188)**
Profit for the year	(35,53,866)	(35,53,866)		-	(35,53,866)
Other comprehensive income for the year, net of income tax		-	(1,520)	(1,520)	(1,520)
Total comprehensive income for the year	**(35,53,866)**	**(35,53,866)**	**(1,520)**	**(1,520)**	**(35,55,386)**
Transfer to retained earnings	(1,520)	(1,520)	1,520	1,520	-
Balance at March 31, 2020	**(2,76,23,574)**	**(2,76,23,574)**	**-**	**-**	**(2,76,23,574)**
Profit/ (Loss) for the year	(66,32,067)	(66,32,067)		-	(66,32,067)
Other comprehensive income for the year, net of income tax		-	(964)	(964)	(964)
Total comprehensive income for the year	**(66,32,067)**	**(66,32,067)**	**(964)**	**(964)**	**(66,33,031)**
Transfer to retained earnings	(964)	(964)	964	964	-
Balance at March 31, 2021	**(3,42,56,605)**	**(3,42,56,605)**	**-**	**-**	**(3,42,56,605)**

As per our report of even date

For and on behalf of the Board of Directors

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

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

1. Reporting entity

Aquaignis Technologies Private Limited (the 'Company') is a Company domiciled in India, with its registered office situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, Mumbai City Maharashtra 400013. The Company is a 100% subsidiary of Eureka Forbes Limited, a Company incorporated under the Companies Act, 1956. The Company is primarily involved in manufacturing of electric water purifier.

The manufacturing facility of the Company is located at Khasra No. 3946, 3961 and 3962, Lal Tappar Industrial Area, Majri Grant, Dehradun Haridwar Highway, Dehradun - 248140 in the State of Uttarakhand.

2. Basis of preparation

a. Statement of compliance

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

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

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgments

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

included in the following notes:
- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 36 – employee benefit plans
- Note 3(h) and 28 – provisions and contingent liabilities
- Note 3(l) – Income taxes
- Note 3(j) and 32 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:
-Note 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
-Note 34 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

e. Measurement of fair values

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

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

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

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

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 38 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

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

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

ii. *Classification and subsequent measurement*

Financial assets

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

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

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

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

that are solely payments of principal and interest on the principal amount outstanding. The Company does not have any financial assets within this category.

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *De-recognition*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

C. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.
The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

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

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

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

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

Inventories

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

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

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

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

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

Impairment

Impairment of financial instruments

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. *Short-term employee benefits*

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

ii. *Defined contribution plans*

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.
Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.
Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
Interest income is recognised using the effective interest rate (EIR) method.

j. Leases

- Ind AS 116 Leases: The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of Rs. 115.65 lakhs, accumulated amortisation of Rs. NIL and present value of lease liabilities of Rs. 115.65 lakhs as on April 01, 2019.
  In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due to the above change in accounting policy is additional expense of Rs. 7.45 lakhs.
  The Company's leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to

control the use of an identified asset for a period of time in exchange for consideration.

At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

k. Recognition of interest income or expense

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

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

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

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

n. Recent amendments to Indian Accounting Standards:

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

i. **Ind AS 103 - Business Combinations:**
The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. **Ind AS 107 - Financial Instruments: Disclosures:**
Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. **Ind AS 109 - Financial Instruments:**
Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. **Ind AS 116 - Leases:**
A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. **Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):**
The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.
There was no impact on the financial statements of the Company on adoption of this amendment for the year.

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

Notes to the financial statements for the year ended March 31, 2021

4. Property Plant and Equipment

Cost or Deemed Cost	Leasehold Improvements	Plant & Equipment	Moulds of Water Purifier	Furniture & Fixtures	Electrical Installations and Equipment	Computers	Office Equipment	Right to Use Assets	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2019	39,24,576	1,58,12,642	67,65,249	7,13,699	20,57,758	3,71,404	11,999	0	12,51,177	3,09,08,504
Additions	-	75,700	-	1,39,525	-	-	-	1,15,64,540	-	1,17,79,765
Deletions	-	-	-	-	-	-	-	-	-	-
As at 31st March,2020	39,24,576	1,58,88,342	67,65,249	8,53,224	20,57,758	3,71,404	11,999	1,15,64,540	12,51,177	4,26,88,269
Additions	-	16,000	-	-	-	-	-	-	-	16,000
Deletions	-	-	-	-	-	81,743	-	1,80,893	-	2,62,636
As at 31st March,2021	39,24,576	1,59,04,342	67,65,249	8,53,224	20,57,758	2,89,661	11,999	1,13,83,647	12,51,177	4,24,41,633

Depreciation	Leasehold Improvements	Plant & Machinery	Moulds of Water Purifier	Furniture & Fixtures	Electrical Equipment	Computers	Office Equipment	Right to Use Assets	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2019	39,24,576	56,23,699	21,09,193	3,64,560	8,52,763	3,52,833	7,394	0	6,51,237	1,38,86,255
Charge for the year	0	10,14,093	4,25,960	74,943	1,96,393	0	2,277	28,38,780	1,22,691	46,75,137
Deletions	-	-	-	-	-	-	-		-	-
As at 31st March,2020	39,24,576	66,37,792	25,35,153	4,39,503	10,49,156	3,52,833	9,671	28,38,780	7,73,928	1,85,61,392
Charge for the year	0	10,18,586	4,25,960	81,701	1,96,393	0	1,728	27,72,334	1,22,691	46,19,393
Deletions	-	-	-	-	-	77,656	-	-	-	77,656
As at 31st March,2021	39,24,576	76,56,378	29,61,113	5,21,204	12,45,549	2,75,177	11,399	56,11,114	8,96,619	2,31,03,129
Net Block										
As at 31st March,2021	-	82,47,964	38,04,136	3,32,020	8,12,209	14,484	600	57,72,533	3,54,558	1,93,38,504
As at 31st March,2020	-	92,50,550	42,30,096	4,13,721	10,08,602	18,571	2,328	87,25,760	4,77,249	2,41,26,877
As at 31st March,2019	-	1,01,88,943	46,56,056	3,49,139	12,04,995	18,571	4,605	-	5,99,940	1,70,22,249

5. Intangibles

Cost or Valuation	Software ₹	Total ₹
As at 31st March,2019	1,16,742	1,16,742
Additions	-	-
Deletions	-	-
As at 31st March,2020	1,16,742	1,16,742
Additions	-	-
Deletions	-	-
As at 31st March,2021	1,16,742	1,16,742
Depreciation	**Software ₹**	**Total ₹**
As at 31st March,2019	1,16,742	1,16,742
Charge for the year	-	-
Deletions	-	-
As at 31st March,2020	1,16,742	1,16,742
Charge for the year	-	-
Deletions	-	-
As at 31st March,2021	1,16,742	1,16,742
Net Block		
As at 31st March,2021	-	-
As at 31st March,2020	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

6. Inventories

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
a) Inventories (lower of cost and net realisable value)		
Finished Goods	6,95,682	3,17,684
Raw Material, Components and Packing Material {includes in transit ₹ Nil (*Previous year: ₹45,87,472/-*)}	1,28,59,069	1,59,03,463
	1,35,54,751	1,62,21,147

Financial Assets

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade receivables :				
Unsecured, Debts due from related parties, considered good	-	-	1,31,92,328	1,59,81,518
Total	-	-	1,31,92,328	1,59,81,518

7.1 Trade receivables

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

8. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Bank deposits with more than 12 months maturity	1,26,520	1,26,520	-	-
Security deposits - unsecured considered good - to related parties	9,400	9,400	-	-
Interest Accrued - on fixed deposits with Banks	65,057	49,604	-	-
	2,00,977	1,85,524	-	-

9. Cash and cash equivalents

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Balances with Banks in current accounts	67,258	1,45,075
Cheques, drafts on hand	-	-
Total Cash & Cash Equivalents	**67,258**	**1,45,075**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months *	1,26,520	1,26,520
Amount disclosed under non-current assets (Note 8)	(1,26,520)	(1,26,520)
Total Bank Balances other than Cash & Cash Equivalents	**-**	**-**
Cash and cash equivalents as per statement of cash flows	67,258	1,45,075

10. Other assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Capital Advances	-	-	-	-
Advances to suppliers	-	-	51,52,780	13,07,906
Prepaid expenses	-	-	3,86,358	1,08,138
Advances recoverable in cash or kind	-	-	12,464	23,969
Balance with statutory/ government authorities	-	-	49,76,461	22,98,163
Total	-	-	1,05,28,063	37,38,176

11. Income tax assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	1,14,632	73,980	-	-
Total	1,14,632	73,980	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

12. Deferred tax balances

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deferred tax assets	11,34,303	12,44,851
Deferred tax liabilities	11,34,303	12,44,851
Net	-	-

Particulars	Property, plant and equipment	Provisions - Impact of expenditure charged to the profit and loss in the current year but allowed for tax on payment basis	On Account of Lease liability	On account of brought forward losses and unabsorbed depreciation	Total
Deferred tax (liabilities)/assets in relation to:					
Net balance April 1, 2019	**(12,94,750)**	**20,288**	**-**	**12,74,462**	-
Recognised in profit or loss	49,899	14,191	1,93,759	(2,57,849)	-
Recognised in other comprehensive income					
Closing balance March 31, 2020	**(12,44,851)**	**34,479**	**1,93,759**	**10,16,613**	**-**
Recognised in profit or loss	1,10,548	5,835	49,802	(1,66,185)	-
Recognised in other comprehensive income					
Closing balance March 31, 2021	**(11,34,303)**	**40,314**	**2,43,561**	**8,50,428**	**-**

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Tax losses (revenue in nature)	32,54,344	24,24,727
Total	**32,54,344**	**24,24,727**

Notes to the financial statements for the year ended March 31, 2021 - continued

13. Equity Share Capital

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Equity share capital	5,85,57,340	5,85,57,340
Total	5,85,57,340	5,85,57,340
Authorised Share capital :		
75,00,000 fully paid equity shares of ₹ 10 each	7,50,00,000	7,50,00,000
Issued and subscribed capital comprises:		
58,55,734 fully paid equity shares of ₹.10 each (as at March 31, 2019: 58,55,734)	5,85,57,340	5,85,57,340
	5,85,57,340	5,85,57,340

13.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at March 31, 2020	58,55,734	5,85,57,340
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	**58,55,734**	**5,85,57,340**

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	58,55,734	100%	58,55,734	100%
Total	**58,55,734**	**100%**	**58,55,734**	**100%**

14A. Other equity

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Retained earnings		
Balance at beginning of year	(2,76,23,574)	(2,40,68,188)
Add/ (less): Profit/ (loss) for the year	(66,32,067)	(35,53,866)
Add: Transfer from other comprehensive income	(964)	(1,520)
Balance at end of the year	**(3,42,56,605)**	**(2,76,23,574)**
Items of Other Comprehensive Income		
Balance at beginning of year	-	-
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(964)	(1,520)
Less: Transfer to retained earnings	964	1,520
Balance at end of the year	-	-
Total	(3,42,56,605)	(2,76,23,574)

14B. Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in Note 15 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 13).

The gearing ratio were as follow:

Gearing ratio

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Debt (i)	1,68,63,266	1,36,50,090
Less: Cash and cash equivalent	67,258	1,45,075
Net debt	1,67,96,008	1,35,05,015
Equity (ii)	2,43,00,735	3,09,33,766
Net debt to equity ratio (%)	*69.12*	*43.66*

Notes to the financial statements for the year ended March 31, 2021 - continued

Financial Liabilities

15. Current Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured - at amortised cost		
(a) Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	1,68,63,266	1,36,50,090
Total	1,68,63,266	1,36,50,090

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

16. Trade payables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade payables (including acceptances) (Refer note below for dues to Micro and Small Enterprises)	-	-	76,18,906	52,78,757
Trade payables to related parties [Refer note 30]	-	-	5,53,835	2,03,344
Total	-	-	81,72,741	54,82,101

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

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
(i) Principal amount remaining unpaid to MSME suppliers as on year end	38,34,369	16,35,275
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	27,856	15,773
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

17. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Finance Lease Liabilities				
Lease Liability	38,07,562	68,17,297	29,01,743	26,53,689
	38,07,562	68,17,297	29,01,743	26,53,689
Others :-				
-Dues to employees	-	-	4,48,185	4,61,853
-Other Payables	-	-	2,54,700	2,06,100
Total	-	-	7,02,885	6,67,953

18. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Employee benefits - Compensated Absences	57,202	56,645	2,341	2,213
Gratuity payable	93,548	72,778	1,964	974
Total	1,50,750	1,29,423	4,305	3,187

19. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
(a) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT etc.)		-	92,526	1,34,791
Total	-	-	92,526	1,34,791

Notes to the financial statements for the year ended March 31, 2021 - continued

20. Revenue from operations

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
(a) Sale of product		
- Finished Goods Domestic	5,34,69,406	5,91,89,937
- Finished Goods Export	1,02,69,875	75,40,991
- Traded Goods	10,46,831	29,00,658
(b) Other operating revenues		
Job Work	30,06,111	34,59,810
Total	**6,77,92,223**	**7,30,91,396**

21. Other Income and other gains/ (losses)

Other Income	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	15,453	13,128
Miscellaneous Income	16,00,179	9,77,246
Reversal of expenses/ excess provisions	-	2,24,135
	16,15,632	**12,14,509**

22. Cost of materials consumed

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Inventory at the Beginning of the Year	1,59,03,463	1,55,63,383
Add:- Purchases	5,53,42,787	5,67,24,061
	7,12,46,250	**7,22,87,444**
Less:- Inventory at the End of the Year	1,28,59,069	1,59,03,463
Cost of Raw Material, Components and Packing Material Consumed	5,83,87,181	5,63,83,981
Purchase of Traded Goods	8,10,021	17,01,593
Finished goods		
Opening Stock	3,17,684	21,33,575
Less : Closing stock	6,95,682	3,17,684
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	(3,77,998)	18,15,891
Total	5,88,19,204	5,99,01,465

23. Employee benefits expense

Particulars	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Salaries and Wages	14,98,386	12,81,994
Contribution to provident and other funds	71,100	82,192
Staff Welfare Expenses	31,128	1,79,478
Total	**16,00,614**	**15,43,664**

Notes to the financial statements for the year ended March 31, 2021 - continued

24. Finance costs

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Interest on bank overdrafts and loans (other than those from related parties)	15,86,580	13,87,022
Interest on Financing lease	7,98,376	10,25,666
Other borrowing costs	1,19,163	87,729
Total	**25,04,119**	**25,00,417**

25. Depreciation and amortisation expense

Particulars	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Depreciation of property, plant and equipment pertaining to continuing operations	18,47,059	18,36,357
Depreciation On Right to Use Assets	27,72,334	28,38,780
Amortisation of intangible assets [Note 5]	-	-
Total depreciation and amortisation pertaining to continuing operations	**46,19,393**	**46,75,137**

26. Other expenses

Particulars	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Power & Fuel	4,17,808	4,48,482
Rent	-	-
Repairs and Maintenance -		
Building	29,600	61,290
Machinery	38,811	8,290
Others	3,365	2,41,952
Insurance	1,22,971	1,22,469
Postage & Courier	48,633	14,242
Contract Labour Cost	41,44,906	56,91,231
Research and Development Exp.	8,950	8,000
Payment to Auditors (Refer details Below)	3,04,600	3,32,494
Printing and Stationery	31,137	61,058
Communication cost	27,790	20,540
Travelling and Conveyance	2,12,250	1,55,306
Legal and Professional Fees	6,27,000	7,85,000
Rates and taxes, excluding taxes on income	58,711	96,483
Logistics Expenses	9,19,053	5,54,137
Other Establishment Expenses	8,26,829	7,68,483
Exchange difference (net) (other than considered as finan	6,71,805	(1,30,369)
Loss on sale of fixed assets (net)	2,373	-
Total	**84,96,592**	**92,39,088**

Payments to auditors	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
a) For audit	2,34,000	2,34,000
b) For taxation matters	45,000	45,000
c) For company law matters	-	-
d) For other services	25,600	35,600
e) For reimbursement of expenses	-	17,894
Total	3,04,600	3,32,494

Note 27 : Earnings per share (EPS)

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

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

i. Profit attributable to Equity holders of company

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Profit attributable to equity holders of the company	(66,32,067)	(35,53,866)
Profit attributable to equity holders of the company for basic earnings	**(66,32,067)**	**(35,53,866)**

ii. Weighted average number of ordinary shares

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Issued ordinary shares at April 1	58,55,734	58,55,734
Effect of shares issued as Bonus shares	-	-
Weighted average number of shares at March 31 for basic EPS	**58,55,734**	**58,55,734**
Effect of dilution:		
	58,55,734	**58,55,734**

Basic and Diluted earnings per share

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Basic earnings per share	(1.13)	(0.61)

Notes to the financial statements for the year ended March 31, 2021 - continued

28 There is no contingent liability as on March 31, 2021 (previous year NIL).

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

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

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

32 **Operating leases**

Leases as lessee

The company has taken certain building premises under cancellable operating leases. In the rent agreements there are no terms for purchase option or any restriction such as those concerning dividend and additional debts. Lease agreements of the company do not contain any variable lease payment or any residual value guarantees. The company has not [illegible]

Information in respect of leases for which right-of-use assets and corresponding lease liabilities have been recognised are as follows:

Particulars	31.03.2021	31.03.2020
	₹	₹
Additions to right-of-use assets during the year (commercial premises)	0	1,15,64,540
Deletion to right-of-use assets during the year (commercial premises)	1,80,893	0
Amortisation of right-of-use assets during the year	27,72,334	28,38,780
Interest expense (unwinding of discount) on lease liabilities	7,98,376	10,25,666
Lease rental expenses relating to short term lease/ low value assets	33,79,164	31,19,220
Total cash outflows in respect of leases (including short term leases)	33,79,164	31,19,220
Carrying amount right-of-use assets at year end (commercial premises)	57,72,533	87,25,760

33 Net foreign exchange difference gain/ loss, included in the statement of profit and loss is a net loss of ₹ 6,71,805/- (*Previous Year profit of ₹ 1,30,369/-).*

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

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

36 The Board of Directors of Aquaignis Technologies Private Limited at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.
The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL"), presently wholly owned subsidiary of Eureka Forbes Limited (EFL), with and into the EFL and amalgamation and vesting of the EFL with and into Forbes and Company Limited ("FCL). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the FCL into Forbes Enviro Solutions Limited ("FESL") (presently wholly owned subsidiary of the Company), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.
The Forbes and Company Ltd has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals.

Notes to the financial statements for the year ended March 31, 2021 - continued

37. Employee benefit obligation

	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
Compensated absences	57,202	2,341	56,645	2,213
Gratuity	93,548	1,964	72,778	974
	1,50,750	4,305	1,29,423	3,187

(i) *Defined benefit plan - Gratuity*

The Company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is an unfunded.

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

	As at March 31, 2021	As at March 31, 2020
	₹	₹
Present value of obligation as at the beginning of the year	73,752	56,029
Current service cost	15,788	11,911
Interest expense	5,008	4,292
Transfer amount	-	-
Total amount recognised in profit or loss	**20,796**	**16,203**
Remeasurements		
(Gain)/loss from change in financial assumptions	964	1,520
Experience (gains)/losses		
Total amount recognised in other comprehensive	**964**	**1,520**
Benefit payments	-	-
Present value of obligation as at the end of the year	95,512	73,752

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.80%	6.79%
Salary growth rate	5.50%	5.50%
Retirement age	58 years	58 years
Withdrawal rates	2.00%	2.00%
Weighted average duration of defined benefit oblig	5 years	5 years

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

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

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

	Year ended 31 March 2020
Discount rate (0.50% increase)	(4,376)
Discount rate (0.50% decrease)	4,758
Future salary growth (0.50% increase)	4,796
Future salary growth (0.50% decrease)	(4,447)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period

(ii) *Defined contribution plan*

The Company also has certain defined contribution plan. Contributions are made to provident fund and employee state insurance scheme for employees at the spcified rate as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is Rs 77279/- (31 March 2020: Rs 86139/-).

38. Financial Instrument - Fair value and risk management

A. Accounting classifications and fair values

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

As at March 31, 2021

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
	₹	₹	₹	₹
Financial assets not measured at fair value				
Trade receivables	-	1,31,92,328	-	1,31,92,328
Cash and cash equivalents	-	67,258	-	67,258
Other financial assets	-	2,00,977	-	2,00,977
	-	1,34,60,563	-	1,34,60,563
Financial liabilities not measured at fair value				
Borrowings	-	-	1,68,63,266	1,68,63,266
Trade payables	-	-	81,72,741	81,72,741
Other financial liabilities	-	-	7,02,885	7,02,885
	-	-	2,57,38,892	2,57,38,892

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

As at March 31, 2020

	Carrying amount			
	FVOCI - equity instruments	Other financial assets - amortised cost	Other financial liabilities - amortised cost	Total carrying amount
	₹	₹	₹	₹
Financial assets not measured at fair value				
Trade receivables	-	1,59,81,518	-	1,59,81,518
Cash and cash equivalents	-	1,45,075	-	1,45,075
Other financial assets	-	1,85,524	-	1,85,524
	-	1,63,12,117	-	1,63,12,117
Financial liabilities not measured at fair value				
Borrowings	-	-	1,36,50,090	1,36,50,090
Trade payables	-	-	54,82,101	54,82,101
Other financial liabilities	-	-	6,67,953	6,67,953
	-	-	1,98,00,144	1,98,00,144

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

B. Measurment of fair values

Valuation techniques and significant unobservable inputs

Financial instruments measured at fair value

The company does not have any Investment.

Notes to the financial statements for the year ended March 31, 2021 - continued

C. Financial risk management

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

Risk management framework

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

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

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

i) Credit risk

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

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Trade receivables	1,31,92,328	1,59,81,518
Cash and cash equivalents	67,258	1,45,075
Loans	-	-
Other financial assets	2,00,977	1,85,524
Other current assets	1,05,28,063	37,38,176

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Within India	1,17,56,658	98,77,144
Outside India	14,35,670	61,04,374

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Product Marketing company	1,31,92,328	1,59,81,518
Bank balances and deposits with bank	67,258	1,45,075
Other bank balances	1,26,520	1,26,520

Trade receivables

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

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

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

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Not due		1,46,71,459
0-30 days	1,31,92,328	13,10,059
	1,31,92,328	**1,59,81,518**

Bank balances and deposits with banks

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

Notes to the financial statements for the year ended March 31, 2021 - continued

ii) Liquidity risk

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

Exposure to liquidity risk

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

As at March 31, 2021

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	₹	₹	₹	₹	₹	₹	₹
Non-derivative financial liabilities							
Borrowings	1,68,63,266	1,68,63,266	1,68,63,266	-	-	-	-
Trade payables	81,72,741	81,72,741	81,72,741	-	-	-	-
Other financial liabilities	7,02,885	7,02,885	7,02,885	-	-	-	-
	2,57,38,892	2,57,38,892	2,57,38,892	-	-	-	-

As at March 31, 2020

	Contractual cash flows						
	Carrying amount	Total	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	₹	₹	₹	₹	₹	₹	₹
Non-derivative financial liabilities							
Borrowings	1,36,50,090	1,36,50,090	1,36,50,090	-	-	-	-
Trade payables	54,82,101	54,82,101	54,82,101	-	-	-	-
Other financial liabilities	6,67,953	6,67,953	6,67,953	-	-	-	-
	1,98,00,144	1,98,00,144	1,98,00,144	-	-	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

iii) Market risk

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

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

Currency risk

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

Exposure to currency risk

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

	As at March 31, 2021	As at March 31, 2020
	₹	₹
Financial assets		
Trade receivables	14,35,670	14,50,396
Advances	32,60,522	13,07,906
	46,96,192	27,58,302
Financial liabilities		
Trade payables	9,46,129	8,81,187
	9,46,129	8,81,187

Sensitivity analysis

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

Particulars	Profit or loss ₹
March 31, 2021	
USD (10% strengthening)	94,613
March 31, 2020	
USD (10% strengthening)	88,119

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

Notes to the financial statements for the year ended March 31, 2021 - continued

iv) Interest risk

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

	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Fixed rate instruments		
Financial assets		
Deposit with banks	1,26,520	1,26,520
	1,26,520	1,26,520
Variable-rate instruments		
Financial liabilities		
Borrowings	1,68,63,266	1,36,50,090
	1,68,63,266	1,36,50,090

Cash flow sensitivity analysis for variable-rate instruments

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

Particulars	Profit or loss ₹
March 31, 2021	
Variable-rate instruments	(1,68,633)
Cash flow senstivity	**(1,68,633)**
March 31, 2020	
Variable-rate instruments	(1,36,501)
Cash flow senstivity	**(1,36,501)**

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

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

For and on behalf of the Board of Directors

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

Mr. Marzin Roomi Shroff
Ms. Kavita Gandhi
Directors

Kaushal Mehta
Partner
Membership No. 111749

Mr. Chintan Kamdar *Company Secretary*

Place: Mumbai
Date: 21st May 2021

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 30 forming integral part of financial statement:

30. Related Party Disclosures - Current year ended 31st March 2021

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

(A) Holding Company

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

(B) Fellow subsidiaries (where transactions have taken place during the year)

Forbes Lux FZCO
Forbes Facility Services Private Limited
Forbes Aquatech Limited
Infinite Water Solutions Private Limited

(ii) Transactions with Related Parties for the year ended 31st March, 2021

		A	B	B	B	B	
		Eureka Forbes Limited	**Forbes Lux FZCO**	**Forbes Facility Services Private Limited**	**Forbes Aquatech Limited**	**Infinite Water Solutions Limited**	**Total**
		₹	₹	₹	₹	₹	
	Nature of Transaction						
	Purchases						
1	Goods and Materials	40,70,493	-	-	-	8,59,600	**49,30,093**
	Sales						
2	Goods and Materials (excluding taxes)	5,45,16,237	1,02,69,875	-	-	-	**6,47,86,112**
	Expenses						
3	Rent	33,79,164	-	-	-	-	**33,79,164**
4	Miscellaneous expenses	4,17,808	-	3,00,764	-	-	**7,18,572**
							-
	Income						
5	Job Work Income	30,06,111	-	-	-	-	**30,06,111**
6	Misc. Income	-	11,32,349	-	-	-	**11,32,349**
	Other Receipts						**-**
7	Other Reimbursements	80	-	-	-	-	**80**
	Balance Outstanding						
8	Trade Payables	-	-	32,747	-	5,21,088	**5,53,835**
9	Trade Receivables	1,17,56,658	14,35,670	-	-	-	**1,31,92,328**
10	Short Term Advances given	-	-	-	-	-	**-**

Details required under Ind AS 24 on the "Related Party Disclosures" - referred in Note no. 30 forming integral part of financial statement:

30. Related Party Disclosures - Previous year ended 31st March 2020

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

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

(B) Fellow subsidiaries (where transactions have taken place during the year)
Forbes Lux FZCO
Forbes Facility Services Private Limited

(C) Enterprises that are under common control (where transactions have taken place during the year)
Infinite Water Solutions Private Limited
Forbes Aquatech Limited

(ii) Transactions with Related Parties for the year ended 31st March, 2020

		A	B	B	C	C	
		Eureka Forbes Limited	Forbes Lux FZCO	Forbes Facility Services Private Limited	Forbes Aquatech Limited	Infinite Water Solutions Limited	Total
		₹	₹	₹	₹	₹	
	Nature of Transaction						
	Purchases						
1	Goods and Materials	46,67,890	-	-	-	8,03,700	**54,71,590**
	Sales						
2	Goods and Materials (excluding taxes)	6,20,90,595	75,40,991	-	-	-	**6,96,31,586**
	Expenses						
3	Rent	31,19,220	-	-	-	-	**31,19,220**
4	Miscellaneous expenses	4,48,482	-	2,96,940	17,894	-	**7,63,316**
							-
	Income						
5	Job Work Income	34,59,810	-	-	-	-	**34,59,810**
6	Misc. Income	-	8,67,404	-	-	-	**8,67,404**
	Other Receipts						**-**
7	Other Reimbursements	-	-	-	-	-	**-**
	Balance Outstanding						
8	Trade Payables	-	-	28,704	-	1,74,640	**2,03,344**
9	Trade Receivables	1,45,31,122	14,50,396	-	-	-	**1,59,81,518**
10	Short Term Advances given	-	-	-	-	-	**-**

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2021

			Notes	As at June 30, 2021 ₹	As at June 30, 2021 ₹	As at June 30, 2020 ₹	As at June 30, 2020 ₹
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	4		1,31,04,557		1,49,39,503
(b)		Right of use of Assets	4		50,81,348		78,53,682
(d)		**Financial assets**					
	(i)	Other financial assets	8	2,20,156	2,20,156	1,88,788	1,88,788
(e)		Tax assets					
	(i)	Income Tax Asset (Net)	11	1,27,720		74,694	
	(ii)	Deferred Tax Asset (Net)	12	-	1,27,720	-	74,694
(f)		Other non-current assets	10		-		-
		Total Non-current Assets			1,85,33,781		2,30,56,667
		Current Assets					
(a)		Inventories	6		1,17,62,698		1,40,88,969
(b)		Financial assets					
	(i)	Trade receivables	7	1,59,12,449		1,59,44,210	
	(ii)	Cash and cash equivalents	9	20,97,150	1,80,09,599	40,378	1,59,84,588
(c)		Other current assets	10		76,93,304		61,42,861
					3,74,65,601		3,62,16,418
		Total Current Assets			3,74,65,601		3,62,16,418
		Total Assets			5,59,99,382		5,92,73,085

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

BALANCE SHEET AS AT 30TH JUNE, 2021

		Notes	As at June 30, 2021 ₹	₹	As at June 30, 2020 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	13	5,85,57,340		5,85,57,340	
(b)	Other Equity	14	(3,60,55,028)		(2,92,92,262)	
	Equity attributable to owners of the Company			2,25,02,312		2,92,65,078
	Total Equity			2,25,02,312		2,92,65,078
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Lease Liabilities	17	30,07,902		60,09,643	
(ii)	Other financial liabilities	17	-	30,07,902	-	60,09,643
(b)	Provisions	18		1,50,750		1,29,423
	Total Non-current Liabilities			31,58,652		61,39,066
	Current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	15	1,79,59,529		1,61,10,448	
(ii)	Trade and other payables :					
	Total outstanding dues to micro enterprise and small enterprises.		43,43,428		18,19,948	
	Total outstanding dues to creditors other than micro enterprise and small enterprises.	16	38,83,295		18,41,938	
(iii)	Lease Liabilities	17	30,01,742		26,96,913	
(iv)	Other financial liabilities	17	10,83,348	3,02,71,342	13,04,161	2,37,73,408
(b)	Provisions	18		4,305		3,187
(c)	Other current liabilities	19		62,771		92,346
				3,03,38,418		2,38,68,941
	Total Current Liabilities			3,03,38,418		2,38,68,941
	Total Liabilities			3,34,97,070		3,00,08,007
	Total Equity and Liabilities			5,59,99,382		5,92,73,085

For and on behalf of the Board of Directors
Aquaignis Technologies Pvt Ltd

Marzin R Shroff — *Director*
DIN: 00642613

Kavita Gandhi — *Director*
DIN: 08200521

Place: Mumbai
Date: August 2, 2021

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

Statement of Profit and Loss for the period ended 30th June, 2021

		Notes	For the period ended June 30, 2021 ₹	For the period ended June 30, 2020 ₹
I	**Income**			
	Revenue from Operations	20	1,31,52,232	51,38,544
	Other income and other gains / (losses)	21	4,179	4,33,267
	Total Income		**1,31,56,411**	**55,71,811**
II	**Expenses**			
	Cost of materials consumed		1,07,14,069	44,42,236
	Purchases of stock-in-trade	22	3,39,599	32,543
	Changes in inventories of finished goods, stock-in-trade and work-in-progress		2,94,790	(2,73,151)
	Employee benefits expense	23	4,10,182	4,12,329
	Finance costs	24	5,87,626	6,08,734
	Depreciation and amortisation expense	25	11,52,599	11,52,799
	Other expenses	26	14,55,969	8,65,009
	Total expenses		**1,49,54,834**	**72,40,499**
III	**Profit / (Loss) before exceptional items and tax**		**(17,98,423)**	**(16,68,688)**
	Add/ (Less) : Exceptional items			-
IV	**Profit / (Loss) before tax**		**(17,98,423)**	**(16,68,688)**
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax		-	-
			-	-
V	**Profit / (Loss) for the year**		**(17,98,423)**	**(16,68,688)**
VI	**Profit / (Loss) for the year**		**(17,98,423)**	**(16,68,688)**
VII	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans		-	-
(b)	Equity instruments through other comprehensive income		-	-
(c)	Income tax relating to items that will not be reclassified to profit or loss		-	-
			-	-
B	Items that may be reclassified to profit or loss			
(a)	Income tax relating to items that may be reclassified to profit or loss		-	-
			-	-
	Total other comprehensive income (A + B)		-	-
	Total comprehensive income for the period (VII+VIII)		**(17,98,423)**	**(16,68,688)**
	Earnings per equity share:	27		
	(1) Basic & Diluted (in Rs.)		(0.31)	(0.28)

For and on behalf of the Board of Directors
Aquaignis Technologies Pvt Ltd

Marzin R Shroff *Director*
DIN: 00642613

Kavita Gandhi *Director*
DIN: 08200521

Place: Mumbai
Date: August 2, 2021

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

Cash Flow Statement for the period ended 30th June, 2021

	Notes	Period ended June 30, 2021	Period ended June 30, 2020
		₹	₹
Cash flows from operating activities			
Profit / Loss for the year		(17,98,423)	(16,68,688)
Adjustments for:			
Finance costs		4,29,512	3,86,472
Finance costs recognised in profit or loss for Lease Liability as per Ind AS 116		1,58,114	2,22,262
Interest Income		(4,179)	(3,264)
Depreciation and amortisation of non-current assets		4,61,414	4,61,614
Depreciation and amortisation of non-current assets of financial leased assets as per Ind AS 116		6,91,185	6,91,185
Loss/ (Gain) on disposal of property, plant and equipment		-	-
Net foreign exchange (gain)/loss - unrealised		-	-
		(62,377)	**89,581**
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(27,20,121)	37,308
(Increase)/decrease in inventories		17,92,053	21,32,178
(Increase)/decrease in current Other Assets		28,34,759	(24,04,685)
(Increase)/decrease in non current Other Assets		-	-
(Increase)/decrease in current Other Financial Assets			
(Increase)/decrease in non current Other Financial Assets		(15,000)	-
(Increase)/decrease in other assets		-	-
Increase/ (Decrease) in trade and other payables		53,982	(18,20,215)
Increase/(Decrease) in provisions		-	-
Increase/(Decrease) in other liabilities		3,50,708	5,93,763
		22,96,381	(14,61,651)
Cash generated from operations		**22,34,004**	**(13,72,070)**
Income taxes paid		(13,088)	(714)
Net cash generated by operating activities		**22,20,916**	**(13,72,784)**
Cash flows from investing activities			
Interest received		-	-
Net cash (used in)/generated by investing activities		-	-

Cash Flow Statement for the period ended 30th June, 2021

	Notes	Period ended June 30, 2021	Period ended June 30, 2020
		₹	₹
Cash flows from financing activities (Refer note)			
Net increase / (decrease) in working capital borrowings		10,96,263	24,60,358
Interest paid		(4,29,512)	(3,86,472)
Principal payment of Lease liabilities		(8,57,775)	(8,05,799)
Net cash used in financing activities		(1,91,024)	12,68,087
Net increase in cash and cash equivalents		20,29,892	(1,04,697)
Cash and cash equivalents at the beginning of the year		67,258	1,45,075
Cash and cash equivalents at the end of the year		**20,97,150**	**40,378**

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

Movement in Short-term Borrowings

Particulars	2020-21	2019-20
Opening balance	1,36,50,090	64,00,807
Cash in-flows	4,60,92,779	1,96,31,321
Cash out-flows	4,93,05,954	2,68,80,604
Closing balance	1,68,63,265	1,36,50,090

For and on behalf of the Board of Directors
Aquaignis Technologies Pvt Ltd

Marzin R Shroff — *Director*
DIN: 00642613

Kavita Gandhi — *Director*
DIN: 08200521

Place: Mumbai
Date: August 2, 2021

Statement of changes in equity for the year ended 30th June, 2021

a. Equity share capital	Amount ₹
Balance at April 1, 2020	5,85,57,340
Changes in equity share capital during the year	-
Balance at March 31, 2021	**5,85,57,340**
Changes in equity share capital during the year	-
Balance at June 30, 2021	**5,85,57,340**

B. Other Equity

	Attributable to owners of the parent				
	Reserves and surplus		Items Of Other Comprehensive Income		Total Other Equity
	Retained earnings	Total	Other items of other comprehensive income (re-measurement of defined benefits)	Total	
	₹	₹	₹	₹	₹
Balance at March 31, 2020	**(2,76,23,574)**	**(2,76,23,574)**	**-**	**-**	**(2,76,23,574)**
Profit/ (Loss) for the year	(66,32,067)	(66,32,067)		-	(66,32,067)
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the year	**(66,32,067)**	**(66,32,067)**	**-**	**-**	**(66,32,067)**
Transfer to retained earnings	(964)	(964)	-	-	(964)
Balance at March 31, 2021	**(3,42,56,605)**	**(3,42,56,605)**	**-**	**-**	**(3,42,56,605)**
Profit/ (Loss) for the year	(17,98,423)	(17,98,423)		-	(17,98,423)
Other comprehensive income for the year, net of income tax		-	-	-	-
Total comprehensive income for the year	**(17,98,423)**	**(17,98,423)**	**-**	**-**	**(17,98,423)**
Transfer to retained earnings	-	-	-	-	-
Balance at June 30, 2021	**(3,60,55,028)**	**(3,60,55,028)**	**-**	**-**	**(3,60,55,028)**

For and on behalf of the Board of Directors
Aquaignis Technologies Pvt Ltd

Marzin R Shroff *Director*
DIN: 00642613

Kavita Gandhi *Director*
DIN: 08200521

Place: Mumbai
Date: August 2, 2021

AQUAIGNIS

AQUAIGNIS TECHNOLOGIES PRIVATE LIMITED

Notes to the financial statements for the period ended June 30, 2021

4. Property Plant and Equipment

Cost or Deemed Cost	Leasehold Improvements	Plant & Equipment	Moulds of Water Purifier	Furniture & Fixtures	Electrical Installations and Equipment	Computers	Office Equipment	Right to Use Assets	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2020	39,24,576	1,58,88,342	67,65,249	8,53,224	20,57,758	3,71,404	11,999	1,15,64,540	12,51,177	4,26,88,269
Additions	-	16,000	-	-	-	-	-	-	-	16,000
Deletions	-	-	-	-	-	81,743	-	1,80,893	-	2,62,636
As at 31st March,2021	39,24,576	1,59,04,342	67,65,249	8,53,224	20,57,758	2,89,661	11,999	1,13,83,647	12,51,177	4,24,41,633
Additions	-		-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-		-		-	-
As at 30th June,2021	39,24,576	1,59,04,342	67,65,249	8,53,224	20,57,758	2,89,661	11,999	1,13,83,647	12,51,177	4,24,41,633
Depreciation	Leasehold Improvements	Plant & Machinery	Moulds of Water Purifier	Furniture & Fixtures	Electrical Equipment	Computers	Office Equipment	Right to Use Assets	Lab & Testing Equipments	Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
As at 31st March,2020	39,24,576	66,37,792	25,35,153	4,39,503	10,49,156	3,52,833	9,671	28,38,780	7,73,928	1,85,61,392
Charge for the year	0	10,18,586	4,25,960	81,701	1,96,393	0	1,728	27,72,334	1,22,691	46,19,393
Deletions	-	-	-	-	-	77,656	-	-	-	77,656
As at 31st March,2021	39,24,576	76,56,378	29,61,113	5,21,204	12,45,549	2,75,177	11,399	56,11,114	8,96,619	2,31,03,129
Charge for the year	0	2,54,728	1,06,490	20,425	49,098	0	0	6,91,185	30,673	11,52,599
Deletions	-	-	-	-	-	-	-	-	-	-
As at 30th June,2021	39,24,576	79,11,106	30,67,603	5,41,629	12,94,647	2,75,177	11,399	63,02,299	9,27,292	2,42,55,728
Net Block										
As at 30th June,2021	-	79,93,236	36,97,646	3,11,595	7,63,111	14,484	600	50,81,348	3,23,885	1,81,85,905
As at 31st March,2021	-	82,47,964	38,04,136	3,32,020	8,12,209	14,484	600	57,72,533	3,54,558	1,93,38,504
As at 31st March,2020	-	92,50,550	42,30,096	4,13,721	10,08,602	18,571	2,328	87,25,760	4,77,249	2,41,26,877

Notes to the financial statements for the period ended June 30, 2021

5. Intangibles

Cost or Valuation	Software ₹	Total ₹
As at 31st March,2020	1,16,742	1,16,742
Additions	-	-
Deletions	-	-
As at 31st March,2021	1,16,742	1,16,742
Additions	-	-
Deletions	-	-
As at 30th June,2021	1,16,742	1,16,742
Depreciation	**Software ₹**	**Total ₹**
As at 31st March,2020	1,16,742	1,16,742
Charge for the year	-	-
Deletions	-	-
As at 31st March,2021	1,16,742	1,16,742
Charge for the year	-	-
Deletions	-	-
As at 30th June,2021	1,16,742	1,16,742
Net Block		
As at 30th June,2021	-	-
As at 31st March,2021	-	-
As at 31st March,2020	-	-

Notes to the financial statements for the period ended June 30, 2021 - continued

6. Inventories

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
a) Inventories (lower of cost and net realisable value)		
Finished Goods	4,00,892	5,90,835
Raw Material, Components and Packing Material {includes in transit ₹ Nil (*Previous year: ₹*)}	1,13,61,806	1,34,98,134
	1,17,62,698	1,40,88,969

Financial Assets

7. Trade receivables

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	As at June 30, 2020 ₹	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Trade receivables :				
Unsecured, Debts due from related parties, considered good	-	-	1,59,12,449	1,59,44,210
Total	-	-	1,59,12,449	1,59,44,210

7.1 Trade receivables

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

8. Other financial assets

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	As at June 30, 2020 ₹	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Bank deposits with more than 12 months maturity	1,26,520	1,26,520	-	-
Security deposits - unsecured considered good - to related parties	24,400	9,400	-	-
Interest Accrued -				
on fixed deposits with Banks	69,236	52,868	-	-
	2,20,156	1,88,788	-	-

9. Cash and cash equivalents

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

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Balances with Banks in current accounts	20,97,150	40,378
Cheques, drafts on hand	-	-
Total Cash & Cash Equivalents	**20,97,150**	**40,378**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 12 months *	1,26,520	1,26,520
Amount disclosed under non-current assets (Note 8)	(1,26,520)	(1,26,520)
Total Bank Balances other than Cash & Cash Equivalents	**-**	**-**
Cash and cash equivalents as per statement of cash flows	20,97,150	40,378

10. Other assets

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	As at June 30, 2020 ₹	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Capital Advances	-	-	-	-
Advances to suppliers	-	-	12,51,872	27,70,193
Prepaid expenses	-	-	16,22,303	1,15,979
Advances recoverable in cash or kind	-	-	11,882	1,93,888
Balance with statutory/ government authorities	-	-	48,07,247	30,62,801
Total	-	-	76,93,304	61,42,861

11. Income tax assets

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	As at June 30, 2020 ₹	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	1,27,720	74,694	-	-
Total	1,27,720	74,694	-	-

Notes to the financial statements for the period ended June 30, 2021 - continued

13. Equity Share Capital

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Equity share capital	5,85,57,340	5,85,57,340
Total	5,85,57,340	5,85,57,340
Authorised Share capital :		
75,00,000 fully paid equity shares of ₹ 10 each	7,50,00,000	7,50,00,000
Issued and subscribed capital comprises:		
58,55,734 fully paid equity shares of ₹.10 each (as at March 31, 2019: 58,55,734)	5,85,57,340	5,85,57,340
	5,85,57,340	5,85,57,340

13.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at March 31, 2020	58,55,734	5,85,57,340
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	**58,55,734**	**5,85,57,340**

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

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

Particulars	As at June 30, 2021		As at June 30, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	58,55,734	100%	58,55,734	100%
Total	**58,55,734**	**100%**	**58,55,734**	**100%**

14A. Other equity

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Retained earnings		
Balance at beginning of year	(3,42,56,605)	(2,76,23,574)
Add/ (less): Profit/ (loss) for the year	(17,98,423)	(16,68,688)
Add: Transfer from other comprehensive income	-	-
Balance at end of the year	**(3,60,55,028)**	**(2,92,92,262)**
Items of Other Comprehensive Income		
Balance at beginning of year	-	-
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	-	(1,520)
Less: Transfer to retained earnings	-	1,520
Balance at end of the year	**-**	**-**
Total	**(3,60,55,028)**	**(2,92,92,262)**

14B. Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in Note 15 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in Notes 13).

The gearing ratio were as follow:

Gearing ratio

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

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Debt (i)	1,79,59,529	1,61,10,448
Less: Cash and cash equivalent	20,97,150	40,378
Net debt	1,58,62,379	1,60,70,070
Equity (ii)	2,25,02,312	2,92,65,078
Net debt to equity ratio (%)	***70.49***	***54.91***

Notes to the financial statements for the period ended June 30, 2021 - continued

Financial Liabilities

15. Current Borrowings

Particulars	**As at June 30, 2021**	**As at June 30, 2020**
Secured - at amortised cost		
(a) Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) refer (i) below	1,79,59,529	1,61,10,448
Total	1,79,59,529	1,61,10,448

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

16. Trade payables

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	**As at June 30, 2020** ₹	**As at June 30, 2021** ₹	**As at June 30, 2020** ₹
Trade payables (including acceptances) (Refer note below for dues to Micro and Small Enterprises)	-	-	76,45,584	34,16,211
Trade payables to related parties [Refer note 30]	-	-	5,81,139	2,45,675
Total	**-**	**-**	**82,26,723**	**36,61,886**

The average credit period for purchase of certain goods is 45

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

Particulars	**As at June 30, 2021** ₹	**As at June 30, 2020** ₹
(i) Principal amount remaining unpaid to MSME suppliers as on year end	43,15,572	18,04,175
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	27,856	15,773
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	-	-
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	-	-

17. Other financial liabilities

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	**As at June 30, 2020** ₹	**As at June 30, 2021** ₹	**As at June 30, 2020** ₹
Finance Lease Liabilities				
Lease Liability	30,07,902	60,09,643	30,01,742	26,96,913
	30,07,902	60,09,643	30,01,742	26,96,913
Others :-				
-Dues to employees	-	-	5,09,494	5,66,335
-Other Payables	-	-	5,73,854	7,37,826
Total	-	-	10,83,348	13,04,161

18. Provisions

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	**As at June 30, 2020** ₹	**As at June 30, 2021** ₹	**As at June 30, 2020** ₹
Employee benefits - Compensated Absences	57,202	56,645	2,341	2,213
Gratuity payable	93,548	72,778	1,964	974
Total	**1,50,750**	**1,29,423**	**4,305**	**3,187**

19. Other Liabilities

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	**As at June 30, 2020** ₹	**As at June 30, 2021** ₹	**As at June 30, 2020** ₹
(a) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT etc.)		-	62,771	92,346
Total	-	-	62,771	92,346

Notes to the financial statements for the period ended June 30, 2021 - continued

20. Revenue from operations

	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
(a) Sale of product		
- Finished Goods Domestic	1,18,05,531	37,24,864
- Finished Goods Export	-	13,08,125
- Traded Goods	6,93,778	58,387
(b) Other operating revenues		
Job Work	6,52,923	47,168
Total	**1,31,52,232**	**51,38,544**

21. Other Income and other gains/ (losses)

Other Income	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	4,179	3,264
Miscellaneous Income	-	4,30,003
Reversal of expenses/ excess provisions	-	-
	4,179	**4,33,267**

22. Cost of materials consumed

	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
Inventory at the Beginning of the Year	1,28,59,069	1,59,03,463
Add:- Purchases	92,16,806	20,36,907
	2,20,75,875	**1,79,40,370**
Less:- Inventory at the End of the Year	1,13,61,806	1,34,98,134
Cost of Raw Material, Components and Packing Material Consumed	1,07,14,069	44,42,236
Purchase of Traded Goods	3,39,599	32,543
Finished goods		
Opening Stock	6,95,682	3,17,684
Less : Closing stock	4,00,892	5,90,835
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	2,94,790	(2,73,151)
Total	1,13,48,458	42,01,628

23. Employee benefits expense

Particulars	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
Salaries and Wages	3,88,886	3,88,593
Contribution to provident and other funds	17,791	17,736
Staff Welfare Expenses	3,505	6,000
Total	**4,10,182**	**4,12,329**

Notes to the financial statements for the period ended June 30, 2021 - continued

24. Finance costs

	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
Interest on bank overdrafts and loans (other than those from related parties)	4,02,648	3,53,321
Interest on Financing lease	1,58,114	2,22,262
Other borrowing costs	26,864	33,151
Total	**5,87,626**	**6,08,734**

25. Depreciation and amortisation expense

Particulars	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
Depreciation of property, plant and equipment pertaining to continuing operations	4,61,414	4,61,614
Depreciation On Right to Use Assets	6,91,185	6,91,185
Amortisation of intangible assets [Note 5]	-	-
Total depreciation and amortisation pertaining to continuing operations	**11,52,599**	**11,52,799**

26. Other expenses

Particulars	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
Power & Fuel	88,179	72,572
Rent	-	-
Repairs and Maintenance -		
Building	-	-
Machinery	16,704	-
Others	615	1,705
Insurance	29,115	22,213
Postage & Courier	-	12,089
Contract Labour Cost	8,24,002	3,39,520
Research and Development Exp.	-	-
Payment to Auditors (Refer details Below)	57,250	57,250
Printing and Stationery	1,302	-
Communication cost	6,510	8,260
Travelling and Conveyance	54,580	50,330
Legal and Professional Fees	1,74,500	1,67,500
Rates and taxes, excluding taxes on income	7,547	8,893
Logistics Expenses	-	-
Other Establishment Expenses	1,70,923	1,25,608
Exchange difference (net) (other than considered as finan	24,742	(931)
Loss on sale of fixed assets (net)	-	-
Total	**14,55,969**	**8,65,009**

Payments to auditors	Period ended 30 June 2021 ₹	Period ended 30 June 2020 ₹
a) For audit	46,000	46,000
b) For taxation matters	11,250	11,250
c) For company law matters	-	-
d) For other services	-	-
e) For reimbursement of expenses	-	-
Total	57,250	57,250

1. Reporting entity

Aquaignis Technologies Private Limited (the 'Company') is a Company domiciled in India, with its registered office situated at B1/B2, 7th Floor, 701, Marathon Innova, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, Mumbai City Maharashtra 400013. The Company is a 100% subsidiary of Eureka Forbes Limited, a Company incorporated under the Companies Act, 1956. The Company is primarily involved in manufacturing of electric water purifier.

The manufacturing facility of the Company is located at Khasra No. 3946, 3961 and 3962, Lal Tappar Industrial Area, Majri Grant, Dehradun Haridwar Highway, Dehradun - 248140 in the State of Uttarakhand.

2. Basis of preparation

a. Statement of compliance

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

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

b. Functional and presentation currency

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

c. Basis of measurement

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

d. Use of estimates and judgements

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

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

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:
- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets

- Note 3(g) and 36 – employee benefit plans
- Note 3(h) and 28 – provisions and contingent liabilities
- Note 3(l) – Income taxes
- Note 3(j) and 32 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:
-Note 28 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
-Note 34 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

e. Measurement of fair values

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

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

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

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

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

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

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

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

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

- Note 38 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

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

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

b. Financial instruments

i. *Recognition and initial measurement*

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

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

ii. *Classification and subsequent measurement*

Financial assets

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

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

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

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

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

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

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

Financial assets: Subsequent measurement and gains and losses

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

Financial liabilities: Classification, subsequent measurement and gains and losses

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

iii. *De-recognition*

Financial assets

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

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

Financial liabilities

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

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

iv. *Offsetting*

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

c. Property, plant and equipment

i. Recognition and measurement

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

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

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.
The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	Useful life as per Schedule II of the Companies Act, 2013
Plant and machinery (including	15 years	15 years

moulds)		
Office equipments	5 years	5 years
Furniture and fixtures	10 years	10 years
Computers	3 years	3 years
Electric fittings	10 years	10 years

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

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

d. Intangible assets

i. Acquired intangible

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

ii. Subsequent expenditure

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

iii. Amortisation

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

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

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

e. Inventories

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

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

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

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

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

f. Impairment

i. Impairment of financial instruments

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

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

ii. Impairment of non-financial assets

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

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

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

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

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

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

g. Employee benefits

i. ***Short-term employee benefits***

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

ii. ***Defined contribution plans***

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

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

iii. Defined benefit plans

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

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

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

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

iv. Other long-term employee benefits

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

h. Provisions and contingent liabilities

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

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

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

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

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

i. Revenue

Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations.
The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.
Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
Our customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best

estimate based on accumulated experience.
Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
Interest income is recognised using the effective interest rate (EIR) method.

j. Leases

- **Ind AS 116 Leases**: The Company has adopted modified simplified approach under Ind AS 116 - Leases, with effect from April 01, 2019. Accordingly, the Company has recognised 'Right of use (ROU)' assets of Rs. 115.65 lakhs, accumulated amortisation of Rs. NIL and present value of lease liabilities of Rs. 115.65 lakhs as on April 01, 2019.
  In the statement of profit and loss for the year, instead of rent expenses (as accounted under previous periods), amortisation of right of use has been accounted under depreciation and amortisation expenses and unwinding of discount on lease liabilities has been accounted under finance cost. The impact on the profits / (loss) for the year due to the above change in accounting policy is additional expense of Rs. 7.45 lakhs.
  The Company’s leases primarily consist of leases of land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
  At the date of commencement of the lease, the Company recognizes a ROU and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and/or low value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.
  The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Currently, ROU assets are being amortised over a period of 3-5 years based on lease term being lower of lease term and estimated useful life of underlying assets.
  Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing activities in statement of cash flows.

k. Recognition of interest income or expense

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

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:
- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

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

l. Income tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

m. Earnings per share

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

n. <u>Recent amendments to Indian Accounting Standards:</u>

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

i. **Ind AS 103 - Business Combinations:**
The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. **Ind AS 107 - Financial Instruments: Disclosures:**
Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. **Ind AS 109 - Financial Instruments:**
Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. **Ind AS 116 - Leases:**
A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. **Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):**
The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.
There was no impact on the financial statements of the Company on adoption of this amendment for the year.

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Euro Forbes Financial Services Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Euro Forbes Financial Services Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

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

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

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

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

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21033597AAAADV5057

Annexure - A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended March 31, 2021, we report that:

(i) The Company does not have any Fixed Assets hence paragraph 3(i) of the order is not applicable.

(ii) The Company does not have any inventory hence paragraph 3(ii) of the order is not applicable.

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

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

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there are no dues of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, Goods and service tax, cess and other material statutory dues that have not been deposited by the Company on account of disputes:

(viii) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not borrowed any loans from banks, financial institution, Government or debenture holders anytime during the year.

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

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

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

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

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

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

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

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

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

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21033597AAAADV5057

Annexure - B to the Auditors' Report

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

We have audited the Internal Financial Controls over financial reporting of Euro Forbes Financial Services Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Paresh Chokshi
Partner
Membership No.033597

Place : Mumbai
Date : May 21, 2021
ICAI UDIN : 21033597AAAADV5057

Euro Forbes Financial Services Limited

Balance Sheet as at March 31, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
	ASSETS					
	Non-current Assets					
(a)	Property, plant and equipment			-		-
(b)	Capital work-in-progress					
(c)	Intangible assets					
(d)	Financial assets					
(i)	Investments		-		-	
(ii)	Trade receivables		-		-	
(iii)	Loans		-		-	
(iv)	Other financial assets		-	-	-	-
(e)	Tax assets					
(i)	Deferred Tax Asset (Net)		-		-	
(ii)	Current Tax Asset (Net)		-	-	-	-
(f)	Other non-current assets			-		-
	Total Non-current Assets			-		-
	Current Assets					
(a)	Inventories			-		-
(b)	Financial assets					
(i)	Investments		-		-	
(ii)	Trade receivables		-		-	
(iii)	Cash and cash equivalents	3	2,03,700		2,28,021	
(iv)	Bank balances other than (iii) above		-		-	
(v)	Loans		-		-	
(vi)	Other financial assets		-	2,03,700	-	2,28,021
(c)	Income Tax Asset (Net)			-		-
(d)	Other current assets			-		-
				2,03,700		2,28,021
	Total Current Assets			2,03,700		2,28,021
	Total Assets			2,03,700		2,28,021

Euro Forbes Financial Services Limited

Balance Sheet as at March 31, 2021

		Notes	As at March 31, 2021 ₹	₹	As at March 31, 2020 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	4	5,00,000		5,00,000	
(b)	Other Equity	5	(3,08,100)		(2,83,779)	
	Equity attributable to owners of the Company			1,91,900		2,16,221
	Total Equity			1,91,900		2,16,221
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Borrowings		-		-	
(ii)	Trade and other payables		-		-	
(iii)	Other financial liabilities		-	-	-	-
(b)	Provisions			-		-
(c)	Deferred tax liabilities (Net)			-		-
(d)	Other non-current liabilities			-		-
	Total Non-current Liabilities			-		-
	Current liabilities					
(a)	Financial liabilities		-		-	
(i)	Borrowings		-		-	
(ii)	Trade and other payables		-		-	
(iii)	Other financial liabilities	6	11,800	11,800	11,800	11,800
(b)	Provisions			-		-
(c)	Current tax liabilities (Net)			-		-
(d)	Other current liabilities			-		-
	Total Current Liabilities			11,800		11,800
	Total Liabilities			11,800		11,800
	Total Equity and Liabilities			2,03,700		2,28,021

As per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 033597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : May 21, 2021

Mumbai , Dated : May 21, 2021

Euro Forbes Financial Services Limited

Statement of Profit and Loss for the year ended March 31, 2021

		Notes	Year 2020-21 ₹	Year 2019-20 ₹
I	Income			
	Revenue from Operations		-	-
	Other income	7	-	-
	Total Income		-	-
II	Expenses			
	Employee benefits expense		-	-
	Depreciation and amortisation expense		-	-
	Other expenses	8	24,321	25,129
	Total expenses		24,321	25,129
III	Profit / (loss) before exceptional items and tax		(24,321)	(25,129)
	Add/ (Less) : Exceptional items			
IV	Profit / Loss before tax		(24,321)	(25,129)
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax charge / (credit)		-	-
			-	-
V	Profit / Loss for the year		(24,321)	(25,129)
VI	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss		-	-
B	Items that may be reclassified to profit or loss		-	-
	Total other comprehensive income (A + B)		-	-
	Total comprehensive income for the year (V+VI)		(24,321)	(25,129)
	Profit for the year attributable to:			
	- Owners of the Company		(24,321)	(25,129)
			(24,321)	(25,129)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		-	-
			-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(24,321)	(25,129)
			(24,321)	(25,129)
	Earnings per equity share	9		
	(1) Basic (in Rs.)		(0.49)	(0.50)
	(2) Diluted (in Rs.)		(0.49)	(0.50)

As per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 033597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : May 21, 2021

Mumbai , Dated : May 21, 2021

Euro Forbes Financial Services Limited

Cash Flow Statement for the year ended March 31, 2021

	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Cash flows from operating activities		
Loss for the year	(24,321)	(25,129)
Adjustments for:		
	(24,321)	(25,129)
Movements in working capital:		
Increase/ (Decrease) in Other Financial Liabilities	-	11,800
Cash generated from operations	(24,321)	(13,329)
Less : Income taxes paid	-	-
Net cash generated by operating activities	(24,321)	(13,329)
Cash flows from investing activities	-	-
Cash flows from financing activities	-	-
Net Increase / (Decrease) in cash and cash equivalents	(24,321)	(13,329)
Cash and cash equivalents at the beginning of the year	2,28,021	2,53,150
Cash and cash equivalents at the end of the year	2,03,700	2,28,021
Net Increase / (Decrease) in cash and cash equivalents as disclosed above	(24,321)	(25,129)

Per our report attached For BATLIBOI & PUROHIT *Chartered Accountants* Firm Regn No. 101048W	Marzin R Shroff	Director *(Din: 00642613)*
Paresh Chokshi Partner Membership No. 033597	R S Moorthy	Director *(Din: 02706251)*
Mumbai , Dated : May 21, 2021	Mumbai , Dated : May 21, 2021	

Euro Forbes Financial Services Limited

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital	Amount
Balance at April 1, 2019	5,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2020	5,00,000
Changes in equity share capital during the year	-
Balance at March 31, 2021	5,00,000

B. Other Equity

	Attributable to owners of the Company	
	Reserves and surplus	
	Retained earnings	Total
	₹	₹
Balance as at April 1, 2019	(2,58,650)	(2,58,650)
Profit / (loss) for the year ended March 31, 2020	(25,129)	(25,129)
Total comprehensive income for the year	(25,129)	(25,129)
Balance as at March 31, 2020	(2,83,779)	(2,83,779)
Profit / (loss) for the Year ended March 31, 2021	(24,321)	(24,321)
Total comprehensive income for the year	(24,321)	(24,321)
Transfer to retained earnings	-	-
Balance as at March 31, 2021	(3,08,100)	(3,08,100)

Per our report attached
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No. 101048W

Marzin R Shroff — Director
(Din: 00642613)

Paresh Chokshi
Partner
Membership No. 033597

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : May 21, 2021

Mumbai , Dated : May 21, 2021

Notes to the financial statements for the year ended March 31, 2021

Note 1: Basis of preparation of Financial statements

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

Theses financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules ,2015] and other relevant provisions of the Act.

(b) Use of estimates and judgements

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT /GST, credit notes issued for various schemes and volume rebates. Revenue is recognise when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Income from services are recognised once the services are rendered.

(b) Taxation

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

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

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

Deferred Tax

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

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

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

Deferred income taxes are not provided on undistributed earnings of subsidiaries and joint ventures where it is expected that the earnings of the subsidiary and joint ventures will not be distributed in the forseeable future.

(c) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

(d) Cash and cash equivalent

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short tem, highly liquid investment with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(e) Functional and presentation currency

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

(f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

(g) Financial Instruments

Trade receivables are initially recognised at cost when they are originated and subsequently measured less provision for impairment . All Other financial assets and liabilities are initially recognised when the company becomes a party to the contractual provisions of the instruments

(h) Derecognition

Financial Assets

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

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

Financial Liabilities

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

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

Offsetting

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

3. Cash and cash equivalents

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

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Balances with Banks in current accounts	2,03,700	2,28,021
Cheques, drafts on hand	-	-
Cash on hand	-	-
Total Cash & Cash Equivalents	2,03,700	2,28,021

4. Equity Share Capital

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Equity share capital	5,00,000	5,00,000
Total	5,00,000	5,00,000
Authorised Share capital :		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
Issued and subscribed capital comprises:		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
	5,00,000	5,00,000

4.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2019	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2020	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	50,000	5,00,000

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

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

Particulars	Fully paid ordinary shares As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year - Held by Eureka Forbes Limited	50,000	50,000
Total as at the end of the year	50,000	50,000

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

5. Other equity

Particulars	As at March 31, 2021 ₹	As at March 31, 2020 ₹
General reserve		
Balance at beginning of the year	-	-
Balance at end of the year	-	-
Retained earnings		
Balance at beginning of year	(2,83,779)	(2,58,650)
Add/ (less): Profit/ (loss) for the year	(24,321)	(25,129)
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	-	-
Balance at end of the year	(3,08,100)	(2,83,779)
Total	(3,08,100)	(2,83,779)

6. Other financial liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹	As at March 31, 2020 ₹	As at March 31, 2021 ₹	As at March 31, 2020 ₹
Provision for Expenses	-	-	11,800	11,800
Total	-	-	11,800	11,800

Euro Forbes Financial Services Limited

Notes to the financial statements for the year ended March 31, 2021 - continued

7. Other Income

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Other Income	-	-
Total	-	-

8. Other expenses

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Payment to Auditors (Refer details Below)	18,172	18,172
Professional Fees	5,500	6,308
Other Establishment Expenses	649	649
Total	24,321	25,129

Payments to auditors	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
As auditor		
Audit fee	11,800	11,800
Tax audit fee	-	-
In other capacity		
For other services	6,372	6,372
For reimbursement of expenses		
	18,172	18,172

9. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended March 31, 2021 ₹	Year ended March 31, 2020 ₹
Profit / Loss for the year attributable to equity share holders	(24,321)	(25,129)
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	50,000	50,000
Basic and diluted earnings per share	(0.49)	(0.50)

Notes to the financial statements for the year ended March 31, 2021 - continued

10 The Company has not yet started commercial operations and hence there are no employees in the Company.

11 There are no contingent Liabilities at the end of March 31, 2021.

12 The Board of Directors of Euro Forbes Financial Service Ltd at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement (“the scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation and vesting of Euro Forbes Financial Services Limited, presently wholly owned subsidiary of Eureka Forbes Limited (EFL) , with and into the EFL and amalgamation and vesting of the EFL with and into Forbes and Company Limited (“FCL). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the FCL into Forbes Enviro Solutions Limited (“FESL”) (presently wholly owned subsidiary of Eureka Forbes Limited), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

The Forbes and Company Ltd has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals.

Per our report attached For BATLIBOI & PUROHIT *Chartered Accountants* Firm Regn No. 101048W	Marzin R Shroff	*Director* *(Din: 00642613)*
Paresh Chokshi Partner Membership No. 033597	R S Moorthy	*Director* *(Din: 02706251)*
Mumbai , Dated : May 21, 2021	Mumbai , Dated : May 21, 2021	

Annexure J-1

Euro Forbes Financial Services Limited

Unaudited Balance Sheet as at 30th June, 2021

			Notes	As at June 30, 2021 ₹	₹	As at June 30, 2020 ₹	₹
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment			-		-
(b)		Capital work-in-progress					
(c)		Intangible assets					
	(i)	Goodwill					
	(ii)	Others		-		-	
	(iii)	Intangible assets under development			-		-
(d)		Financial assets					
	(i)	Investments		-		-	
	(ii)	Trade receivables		-		-	
	(iii)	Loans		-		-	
	(iv)	Other financial assets		-	-	-	-
(e)		Tax assets					
	(i)	Deferred Tax Asset (Net)		-		-	
	(ii)	Current Tax Asset (Net)		-	-	-	-
(f)		Other non-current assets			-		-
		Total Non-current Assets			-		-
		Current Assets					
(a)		Inventories			-		-
(b)		Financial assets					
	(i)	Investments		-		-	
	(ii)	Trade receivables		-		-	
	(iii)	Cash and cash equivalents	3	2,03,700		2,28,021	
	(iv)	Bank balances other than (iii) above		-		-	
	(v)	Loans		-		-	
	(vi)	Other financial assets		-	2,03,700	-	2,28,021
(c)		Income Tax Asset (Net)			-		-
(d)		Other current assets			-		-
					2,03,700		2,28,021
		Total Current Assets			2,03,700		2,28,021
		Total Assets			2,03,700		2,28,021

Euro Forbes Financial Services Limited

Unaudited Balance Sheet as at 30th June, 2021

		Notes	As at June 30, 2021 ₹	₹	As at June 30, 2020 ₹	₹
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	4	5,00,000		5,00,000	
(b)	Other Equity	5	(3,14,018)		(2,89,899)	
	Equity attributable to owners of the Company			1,85,982		2,10,101
	Total Equity			1,85,982		2,10,101
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Borrowings		-		-	
(ii)	Trade and other payables					
(iii)	Other financial liabilities		-	-	-	-
(b)	Provisions			-		-
(c)	Deferred tax liabilities (Net)					
(d)	Other non-current liabilities			-		-
	Total Non-current Liabilities			-		-
	Current liabilities					
(a)	Financial liabilities		-		-	
(i)	Borrowings		-		-	
(ii)	Trade and other payables		-		-	
(iii)	Other financial liabilities	6	17,718	17,718	17,920	17,920
(b)	Provisions			-		-
(c)	Current tax liabilities (Net)			-		-
(d)	Other current liabilities			-		-
	Total Current Liabilities			17,718		17,920
	Total Liabilities			17,718		17,920
	Total Equity and Liabilities			2,03,700		2,28,021
				-		-

For and on behalf of the Board of Directors of
Euro Forbes Financial Services Limited

Marzin R Shroff — Director
(Din: 00642613)

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : August 2, 2021

Euro Forbes Financial Services Limited

Unaudited Statement of Profit and Loss for the quarter ended 30 June, 2021

		Notes	Quarter ended June 30 2021	Quarter ended June 30 2020
			₹	₹
I	**Income**			
	Revenue from Operations		-	-
	Other income	7	-	-
	Total Income		-	-
II	**Expenses**			
	Employee benefits expense		-	-
	Depreciation and amortisation expense		-	-
	Other expenses	8	5,918	6,120
	Total expenses		5,918	6,120
III	**Profit / (loss) before exceptional items and tax**		(5,918)	(6,120)
	Add/ (Less) : Exceptional items			
IV	**Profit / Loss before tax**		(5,918)	(6,120)
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Deferred tax charge / (credit)		-	-
			-	-
V	**Profit / Loss for the quarter ended 30th June 2019**		*(5,918)*	*(6,120)*
VIII	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss		-	-

Euro Forbes Financial Services Limited

Unaudited Statement of Profit and Loss for the quarter ended 30 June, 2021

		Notes	Quarter ended June 30 2021	Quarter ended June 30 2020
			₹	₹
B	Items that may be reclassified to profit or loss			
(a)	Income tax relating to items that may be reclassified to profit or loss		-	-
			-	-
	Total other comprehensive income (A + B)		**-**	**-**
	Total comprehensive income for the quarter ended 30th June 2019(VII+VIII)		**(5,918)**	**(6,120)**
	Profit for the year attributable to:			
	- Owners of the Company		(5,918)	(6,120)
			(5,918)	(6,120)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		-	-
			-	-
	Total comprehensive income for the quarter attributable to:			
	- Owners of the Company		(5,918)	(6,120)
			(5,918)	(6,120)
	Earnings per equity share			
	(1) Basic (in Rs.)		(0.12)	(0.12)
	(2) Diluted (in Rs.)		(0.12)	(0.12)

For and on behalf of the Board of Directors of
Euro Forbes Financial Services Limited

Marzin R Shroff — Director
(Din: 00642613)

R S Moorthy — Director
(Din: 02706251)

Mumbai , Dated : August 2, 2021

Euro Forbes Financial Services Limited

Statement of changes in equity for the quarter ended June 30, 2021

a. Equity share capital	Amount Period ended June 30, 2021
Balance at April 1, 2020	5,00,000.00
Changes in equity share capital during the quarter	-
Balance at June 20, 2020	**5,00,000.00**
Balance at April 1, 2021	5,00,000.00
Changes in equity share capital during the quarter	-
Balance at June 30, 2021	**5,00,000.00**

B. Other Equity

	Attributable to owners of the Company	
	Reserves and surplus	
	Retained earnings	Total
	₹	₹
Balance at 1st April 2020	**(2,83,779)**	**(2,83,779)**
Profit / (loss) for the quarter	(6,120)	(6,120)
Total comprehensive income for the quarter	**(6,120)**	**(6,120)**
Balance at June 30, 2020	**(2,89,899)**	**(2,89,899)**
Balance at 1st April 2021	**(3,08,100)**	**(3,08,100)**
Profit / (loss) for the quarter	(5,918)	(5,918)
Total comprehensive income for the quarter	**(5,918)**	**(5,918)**
Transfer to retained earnings	-	-
Balance at June 30, 2021	**(3,14,018)**	**(3,14,018)**

For and on behalf of the Board of Directors of

Euro Forbes Financial Services Limited

Marzin R Shroff ________________________ Director
(Din: 00642613)

R S Moorthy ________________________ Director
(Din: 02706251)

Mumbai , Dated : August 2, 2021

Euro Forbes Financial Services Limited

Unaudited Cash Flow Statement for the quarter ended 30th June, 2021

	Quarter ended June 30, 2021		Quarter ended June 30, 2020	
	₹	₹	₹	₹
Cash flows from operating activities				
Loss for the year		(5,918)		(6,120)
Adjustments for:				
		(5,918)		**(6,120)**
Movements in working capital:				
Increase/ (Decrease) in Other Financial Liabilities	5,918		6,120	
Cash generated from operations		-		-
Less : Income taxes paid		-		-
Net cash generated by operating activities		-		-
Cash flows from investing activities				
Net Increase / (Decrease) in cash and cash equivalents		-		-
Cash and cash equivalents at beginning of the year		2,03,700		2,28,021
Cash and cash equivalents at the end of period		2,03,700		2,28,021
Net Increase / (Decrease) in cash and cash equivalents as disclosed above		-		-

For and on behalf of the Board of Directors of
Euro Forbes Financial Services Limited

Marzin R Shroff _________________________ Director
(Din: 00642613)

R S Moorthy _________________________ Director
(Din: 02706251)

Mumbai , Dated : August 2, 2021

Euro Forbes Financial Services Limited

Notes to the financial statements for the quarter ended June 30, 2021

Note 1: Basis of preparation of Financial statements

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

Theses financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 (the Act) [Companies (Indian Accounting Standards) Rules ,2015] and other relevant provisions of the Act.

(b) Use of estimates and judgements

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Revenue Recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, discounts, VAT /GST, credit notes issued for various schemes and volume rebates. Revenue is recognise when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods, and the amount of revenue can be measured reliably.

Income from services are recognised once the services are rendered.

(b) Taxation

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

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

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

Deferred Tax

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

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

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

Deferred income taxes are not provided on undistributed earnings of subsidiaries and joint ventures where it is expected that the earnings of the subsidiary and joint ventures will not be distributed in the forseeable future.

(c) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share holders by the weighted average number of equity shares outstanding during the period.

(d) Cash and cash equivalent

For the purpose of presentation in the statement of cash flow, cash and cash equivalents including cash on hand, deposits held at call with financial institutions, other short tem, highly liquid investment with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(e) Functional and presentation currency

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

(f) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

(g) Financial Instruments

Trade receivables are initially recognised at cost when they are originated and subsequently measured less provision for impairment . All Other financial assets and liabilities are initially recognised when the company becomes a party to the contractual provisions of the instruments

(h) Derecognition

Financial Assets

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

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

Financial Liabilities

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

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

Offsetting

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

3. Cash and cash equivalents

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

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Balances with Banks in current accounts	2,03,700	2,28,021
Cheques, drafts on hand	-	-
Cash on hand	-	-
Total Cash & Cash Equivalents	**2,03,700**	**2,28,021**

4. Equity Share Capital

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Equity share capital	5,00,000	5,00,000
Total	5,00,000	5,00,000
Authorised Share capital :		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
Issued and subscribed capital comprises:		
50,00 fully paid equity shares of Rs.10 each	5,00,000	5,00,000
	5,00,000	5,00,000

4.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2020	50,000	5,00,000
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	50,000	5,00,000
Add: Issued during the quarter	-	-
Less: Bought back during the quarter	-	-
Balance at June 30, 2020	**50,000**	**5,00,000**

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

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

Particulars	Fully paid ordinary shares As at June 30, 2021	As at June 30, 2020
Balance at the beginning of the period - Held by Eureka Forbes Limited	50,000	50,000
Total as at the end of the period	**50,000**	**50,000**

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

Particulars	As at June 30, 2021 Number of shares held	As at June 30, 2021 % holding in the class of shares	As at June 30, 2020 Number of shares held	As at June 30, 2020 % holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	50,000	100%	50,000	100%
Total	50,000	100%	50,000	100%

5. Other equity

Particulars	As at June 30, 2021 ₹	As at June 30, 2020 ₹
General reserve		
Balance at beginning of the year	-	-
Balance at end of the quarter	-	-
Retained earnings		
Balance at beginning of year	(3,08,100)	(2,83,779)
Add/ (less): Profit/ (loss) for the quarter	(5,918)	(6,120)
Other comprehensive income arising from re-measurement of defined benefit obligation, net of tax	-	-
Balance at end of the quarter	(3,14,018)	(2,89,899)
Total	(3,14,018)	(2,89,899)

6. Other financial liabilities

Particulars	Non Current		Current	
	As at June 30, 2021 ₹	As at June 30, 2020 ₹	As at June 30, 2021 ₹	As at June 30, 2020 ₹
Provision for Expenses			17,718	17,920
Total	-	-	17,718	17,920

7. Other Income

Particulars	Quarter ended June 30, 2021 ₹	Quarter ended June 30, 2020 ₹
Other Income	-	-
Total	-	-

8. Other expenses

Particulars	Quarter ended June 30, 2021 ₹	Quarter ended June 30, 2020 ₹
Payment to Auditors (Refer details Below)	4,543	4,543
Professional Fees	1,375	1,577
Other Establishment Expenses	-	-
Total	5,918	6,120

Payments to auditors	Quarter ended June 30, 2021 ₹	Quarter ended June 30, 2020 ₹
As auditor		
Audit fee	2,950	2,950
Tax audit fee	-	-
In other capacity		
For other services	1,593	1,593
For reimbursement of expenses		
	4,543	4,543

Notes to the financial statements for the quarter ended June 30, 2021 - continued

9. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Quarter ended June 30, 2021 ₹	Quarter ended June 30, 2020 ₹
Profit / Loss for the year attributable to equity share holders	-5,918	-6,120
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	50,000	50,000
Basic and diluted earnings per share	(0.12)	(0.12)

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INDEPENDENT AUDITOR'S REPORT

To The Members of Eureka Forbes Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Eureka Forbes Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

(i) We draw attention to note 30-XI in the standalone financial statements, which describes the continuing impact and resultant uncertainties of COVID-19 pandemic on the Company's financial statements and the assessment made by the Management of the recoverability of certain assets of the Company. Attention is also invited to note 30-XII which describes the basis of the assessment made by the Management of the Company that no material uncertainty exists and that the going concern assumption is appropriate in the preparation of these financial statements.

(ii) We draw attention to note 30-VI in the standalone financial statements, which describes that, the Board of Directors of the Company at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder which inter alia, provides for amalgamation and vesting of the Company with and into the Parent Company on a going concern basis.

As stated in the said note 30-VI, the appointed date of the above scheme is April, 01, 2020 and the same shall be effective post receipt of required approvals.

Our opinion is not modified in respect of these matters.

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

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

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

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the standalone Financial Statements

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

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

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

Auditor's Responsibility for the Audit of the standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

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

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

    e. On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements [Refer Note – 30(I)(a) to the standalone financial statements];

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

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

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

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Nilesh Shah
(Partner)
(Membership No. 49660)
(UDIN: 21049660AAAACE5164)

Place: Mumbai

Date: June 18, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of Eureka Forbes Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Nilesh Shah
(Partner)
(Membership No. 49660)
(UDIN: 21049660AAAACE5164)

Place: Mumbai

Date: June 18, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

(i) In respect of the Company's property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

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

Particulars of the land and building	**Gross Block (as at the balance sheet date)**	**Net Block (as at the balance sheet date)**	**Remarks**
Freehold Land and Building located at Dehradun and Bangalore admeasuring 12150 sq.mtrs, and 19002 sq.mtrs respectively	INR 2,986.98 lakhs	INR 1,928.02 lakhs	The title deeds are in the name of Aquamall Water Solutions Limited, erstwhile Company that was merged with the Company under Section 233 of the Companies Act, 2013.

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

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

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

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

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

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

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

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Services tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable except the following :

Name of Statute	Nature of Dues	Amount (Rs. in lakhs)	Period to which the Amount Relates	Due Date	Date of subsequent payment
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	1.57	September 2017 to March 2018	Various	Not yet paid
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	5.91	April 2018 to March 2019	Various	Not yet paid

The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	36.00	April 2018 to March 2020	Various	Rs. 5.23 lakhs paid in May 2021
The Employee Provident Funds and Miscellaneous Provisions Act, 1952	Employer Contribution to Pension scheme	14.14	April 2020 to September 2020	Various	Not yet paid

(c) Details of dues of Income-tax, Sales Tax, Excise Duty and Goods and Service Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
Central Excise Act, 1944	Excise Duty	Appellate Tribunal	AY 2001-03	56.51	56.51
		Principal Commissioner of Central Excise	AY 2001 to 2006 and AY 2014 -2017	1,386.30	1,320.52
Income Tax Act, 1961	Income Tax	Tribunal	AY 2008-09, AY 2012-13, AY 2014-15, AY 2015-16	312.37	312.37
		CIT (A)	AY 2016-17 AY 2017-18 AY 2018-19	975.65	975.65
Sales Tax Act	Sales Tax	Deputy Commissioner Of Appeals Commercial Taxes	AY 2006-07, AY 2008-09, AY 2010-11	109.17	75.55
		Deputy Commissioner of Commercial Taxes	AY 2002-03, AY 2003-04, AY 2006-07 to AY 2013-14, AY 2015-16 AY 2016-17	437.07	279.74
		Joint Commissioner of Commercial Taxes	AY 2013-14,	0.89	0.71

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
		Assistant Commissioner of Sales Tax - Appeals	AY 2004-05, AY 2015-16, AY 2016-17	3.96	3.64
		Assistant Commissioner, DVAT, New Delhi	AY 2016-17	16.70	16.70
		Assistant Commissioner (Assessment) Special Circle-II	AY 1998-99 to AY 2004-05, AY 2007-08, AY 2012-13	2,051.19	1,498.00
		Assessing Authority	AY 1994-95, AY 1996-97, AY 1998-99, AY 2000-01, AY 2003-04, AY 2004-05, AY 2005-06, AY 2017-18	4.27	3.68
		Joint Commissioner (Appeals)Trade Tax	AY 2003-04	6.48	4.21
		Deputy Commissioner Cum Assessing Authority-1	AY 2012-13	0.51	0.51
		Assessing Authority Circle “P” Jammu	AY 2016-17	0.02	0.02
		Assistant Commissioner (ST)	AY 2015-16, AY 2016-17, AY2017-18	52.56	47.56
		The Appellate Deputy Commissioner	AY 2016-17	1.60	1.40
		Joint Commissioner of Sales Tax	AY 2007-08 TO 2011-12	673.11	651.87
		Deputy Commissioner Special Circle II	AY 2014-15	2.12	2.12
		Telangana VAT Appellate Tribunal	A.Y 2001-02	351.28	117.09

Name of the Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount Involved (Rs. in Lakhs)	Amount Unpaid (Rs. in Lakhs)
Chapter V, Finance Act, 1994	Service Tax	Custom, Central Excise and Service Tax Appellate Tribunal	AY 2014 to 2019	858.03	847.12
		The Commissioner of Central Tax	AY 2006 to AY 2013	1087.64	1087.64
Central Goods & Service Tax Act, 2017	Goods and Service Tax	High Court of Karnataka	AY 2018-19, AY 2019-20	42.68	42.68
		Additional Commissioner of State tax, Appellate authority, Kolkata	AY 2018-19	32.57	32.57
		Appeal pending to be filed due to non-constitution of GST Tribunal	AY 2019-20	7.08	7.08
		Assistant Commissioner, BI, Howrah Zone	AY 2019-20	5.94	5.34
		Assistant Commissioner of State Taxes and Excise Baddi I Shimla, Himachal Pradesh	AY 2018-19, AY 2019-20	1.58	1.58
		The Joint Commissioner of Central Tax Bangalore	AY 2018-19	348.89	348.89

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

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

(x) During the course of our examination of books and records of the Company, carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed during the year.

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

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

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

(xiv) According to the information and explanations given to us, during the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

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

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

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

Nilesh Shah
(Partner)
(Membership No. 49660)
UDIN: 21049660AAAACE5164

Place: Mumbai

Date: June 18, 2021

BALANCE SHEET AS AT MARCH 31, 2021

	Particulars	Notes	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
	ASSETS					
	Non-current Assets					
(a)	Property, plant and equipment	3(a)		12,690.73		12,968.94
(b)	Other Intangible assets	4		240.69		391.33
(c)	Right of Use Assets	3(b)		1,048.07		1,980.00
(d)	Financial assets					
(i)	Investments	5(a)	4,673.90		2,561.90	
(ii)	Trade receivables	6	914.71		922.41	
(iii)	Loans	7	12,172.26		10,984.57	
(iv)	Other financial assets	8	13,233.64	30,994.51	6,660.66	21,129.54
(e)	Tax assets					
(i)	Deferred Tax Asset (Net)	9	659.89		66.00	
(ii)	Income Tax Asset (Net)	10	2,316.06	2,975.95	3,423.78	3,489.78
(f)	Other non-current assets	11		1,861.53		3,390.23
	Total Non-current Assets			**49,811.48**		**43,349.82**
	Current Assets					
(a)	Inventories	12		26,699.12		27,818.41
(b)	Financial assets					
(i)	Investments	5(b)	8,619.40		3,701.19	
(ii)	Trade receivables	6	17,899.01		22,343.80	
(iii)	Cash and cash equivalents	13	1,799.53		611.83	
(iv)	Bank balances other than (iii) above	13	482.99		83.17	
(v)	Loans	7	163.38		167.03	
(vi)	Other financial assets	8	172.39	29,136.70	218.61	27,125.63
(c)	Other current assets	11		4,417.50		6,035.37
	Total Current Assets			**60,253.32**		**60,979.41**
(d)	Assets Classified as held for sale			-		0.99
	Total Assets			**1,10,064.80**		**1,04,330.22**
	EQUITY AND LIABILITIES					
	Equity					
(a)	Equity share capital	14	377.80		377.80	
(b)	Other Equity	15	(14,525.90)		(19,674.59)	
				(14,148.10)		(19,296.79)
	Total Equity			**(14,148.10)**		**(19,296.79)**
	Liabilities					
	Non-current Liabilities					
(a)	Financial Liabilities					
(i)	Borrowings	16	7,395.40		9,849.85	
(ii)	Lease Liabilities	30XIV	423.96		1,051.32	
(iii)	Other financial liabilities	18	-	7,819.36	-	10,901.17
(b)	Provisions	19		356.33		336.77
(c)	Other non-current liabilities	20		11,537.18		12,593.47
	Total Non-current Liabilities			**19,712.87**		**23,831.41**
	Current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	21	21,083.05		18,467.48	
(ii)	Lease Liabilities	30XIV	737.02		1,002.80	
(iii)	Trade and other payables	17				
(a)	Total outstanding dues of micro enterprises and small enterprises		3,910.07		1,801.78	
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		21,293.10		26,879.14	
(iv)	Other financial liabilities	18	11,440.29	58,463.53	12,708.07	60,859.27
(b)	Provisions	19		2,001.69		1,839.25
(c)	Income tax liabilities (Net)	10		882.42		261.83
(d)	Other current liabilities	20		43,152.39		36,835.25
	Total Current Liabilities			**1,04,500.03**		**99,795.60**
	Total Liabilities			**1,24,212.90**		**1,23,627.01**
	Total Equity and Liabilities			**1,10,064.80**		**1,04,330.22**

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : 18th June 2021

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

Anil Kamath
Director
(DIN-00015706)

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

D Sivanandhan
Director
(DIN-03607203)

R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Statement of Profit and Loss for the year ended March 31, 2021

	Particulars	Notes	Year 2020-21 ₹ in Lakhs	Year 2019-20 ₹ in Lakhs
I	**Income**			
	Revenue from Operations	22	1,78,626.99	1,88,539.68
	Other income and other gains / (losses)- Net	23	7,009.58	3,621.53
	Total Income		**1,85,636.57**	**1,92,161.21**
II	**Expenses**			
	Cost of Materials Consumed	24	52,856.76	61,253.75
	Purchases of stock-in-trade	24	20,734.61	19,786.34
	Changes in inventories of finished goods,spares, stock-in-trade and work-in-progress	24	730.63	(3,676.00)
	Employee benefits expense	25	30,773.91	30,728.91
	Finance costs	26	3,303.27	3,968.73
	Depreciation and amortisation expense	27	2,694.66	2,739.97
	Other expenses	28	65,405.39	76,759.91
	Total expenses		**1,76,499.23**	**1,91,561.61**
III	**Profit before exceptional items and tax**		**9,137.34**	**599.60**
	Add/ (Less) : Exceptional items (Refer Note 30(X))		(1,963.46)	(40,267.85)
IV	**Profit/ (Loss) before tax and after exceptional items**		**7,173.88**	**(39,668.25)**
	Less: Tax expense			
(1)	Current tax	29	2,528.50	525.77
(2)	Deferred tax (credit) / charge	29	(593.89)	(353.14)
			1,934.61	172.63
V	**Profit/(Loss) for the Year**		**5,239.27**	**(39,840.88)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans Gain/(Loss)		(121.04)	(103.24)
	Tax effect		30.46	25.98
			(90.58)	(77.26)
(b)	Equity instruments through other comprehensive income		-	(206.35)
	Tax effect		-	63.62
			-	(142.73)
			(90.58)	**(219.99)**
B	Items that may be reclassified to profit or loss		**-**	**-**
VII	**Total other comprehensive Income/(Loss) (A + B)**		**(90.58)**	**(219.99)**
	Total comprehensive income/ (loss) for the Year (V+VII)		**5,148.69**	**(40,060.87)**
	Earnings per equity share:			
	(1) Basic (in ₹.)	32	138.68	(1,054.55)
	(2) Diluted (in ₹.)	32	138.68	(1,054.55)

The accompanying notes are an integral part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Nilesh Shah

Partner

Mumbai , Dated : 18th June 2021

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Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Cash Flow Statement for the year ended March 31, 2021

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Cash flows from operating activities				
Profit/ (Loss) before tax and after exceptional items		7,173.88		(39,668.25)
Adjustments for:				
Finance costs recognised in profit and loss	3,148.69		3,731.56	
Interest on Lease Liabilities	154.58		237.17	
(Gain)/ Loss on Investment recognised in profit and loss	(150.64)		(105.05)	
Dividend Income from Subsidiary Company (refer note 30 VII)	(3,000.00)		-	
Interest Income	(1,178.00)		(957.40)	
(Gain)/ Loss on disposal of property, plant and equipment	(641.12)		(333.34)	
Remeasurements of the defined benefit plans	(121.04)		(103.24)	
Provision/write-off of doubtful debts, advances and other current assets	2,667.73		1,644.20	
Depreciation and amortisation expenses	1,651.68		2,739.97	
Depreciation and amortisation expenses on Right of use assets	1,042.98		-	
Net Gain on Lease modification	(14.65)		(7.94)	
Fair value of Investment at FVTPL	(67.88)		(0.50)	
Exceptional Items - Provision for Impairment of Investments	1,963.46		40,267.85	
Net foreign exchange (gain)/loss - unrealised	(933.98)		(1,215.87)	
Fair value Commission on Financial Guarantee	(96.82)	4,424.99	(90.02)	45,807.39
Operating Profit before Working capital Changes		**11,598.87**		**6,139.14**
Movements in working capital:				
(Increase)/decrease in trade and other receivables	4,149.25		3,353.48	
(Increase)/decrease in inventories	1,119.31		(5,300.78)	
(Increase)/decrease in loans and advances	(2,080.11)		7.67	
(Increase)/decrease in Other Assets	355.39		2,139.73	
(Increase)/decrease in Other Financial Assets	57.23		31.91	
Increase/(decrease) in trade and other payables	(2,583.15)		(902.31)	
Increase/(decrease) in provisions	182.01		515.51	
Increase/(decrease) in other liabilities	5,994.07	7,194.00	3,674.13	3,519.34
Cash generated from operations		18,792.87		9,658.48
Less : Income taxes (-paid) / refund received		(769.72)		(773.54)
Net cash generated by operating activities		18,023.15		8,884.94
Cash flows from investing activities				
Payments for investment in Subsidiary	(2,124.15)		(200.00)	
Payments for Other investments	(20,926.50)		(12,701.19)	
Proceeds on sale of Other Investments	16,238.95		9,105.55	
Interest received	40.68		104.52	
Advances given	(5,516.61)		-	
Payments for property, plant and equipment	(1,173.21)		(2,023.37)	
Proceeds from disposal of property, plant and equipment	1,028.26		695.41	
Bank Balance other than Cash & Cash equivalents	(444.01)		432.84	
ICD given	(2,000.00)		(3,453.02)	
ICD received back	2,000.00		200.00	
Net cash used from investing activities		(12,876.59)		(7,839.26)
Cash flows from financing activities				
Repayment of other short term borrowings	-		(5,000.00)	
Proceeds from borrowings	-		48.14	
Repayment of borrowings	(4,426.21)		(3,753.17)	
Net increase / (decrease) in working capital borrowings	5,115.58		8,070.89	
Payment of lease liability	(1,176.88)		(1,095.45)	
ICD taken	1,500.00		3,000.00	
ICD repaid back	(2,000.00)		(500.00)	
Interest paid	(2,971.35)		(3,741.88)	
Net cash used in financing activities		**(3,958.86)**		**(2,971.47)**
Net Increase / (Decrease) in cash and cash equivalents		**1,187.70**		**(1,925.79)**
Cash and cash equivalents at the beginning of the year		611.83		2,537.62
Cash and cash equivalents at the end of the year {refer note 13}		1,799.53		611.83
Net Increase / (Decrease) in cash and cash equivalents as disclosed above		**1,187.70**		**(1,925.79)**

Cash Flow Statement for the year ended March 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening Balance	27,789.09	28,184.06
Changes due to cash flow	689.36	(634.14)
Non cash Change (Gain)/Loss	-	239.17
Closing balance	28,478.45	27,789.09

The accompanying notes are an integral part of the financial statements

Note :

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah

Partner

Mumbai , Dated : 18th June 2021

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

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Chief Financial Officer

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Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Statement of changes in equity for the year ended March 31, 2021

A. Equity share capital

	₹ in Lakhs
Balance at April 1, 2019	**377.80**
Changes in equity share capital during the year	-
Balance at March 31, 2020	**377.80**
Changes in equity share capital during the year	-
Balance at March 31, 2021	**377.80**

Statement of changes in equity for the year ended March 31, 2021

B. Other Equity

Particulars	Reserves and surplus							Fair value Reserves		Total Other Equity
	Capital reserve	Capital reserve on Merger	General reserve	Capital Redemption Reserve	Retained earnings	Securities Premium	Total	Equity Instrument through Other Comprehensive Income	Total	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance at April 1, 2019	**57.64**	**205.00**	**18,500.00**	**122.20**	**(1,082.50)**	2,500.00	**20,302.34**	**83.94**	**83.94**	**20,386.28**
Add:										
Profit/ (Loss) for the year	-	-	-	-	(39,840.88)	-	(39,840.88)	-	-	(39,840.88)
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	(77.26)	-	(77.26)	(142.73)	(142.73)	(219.99)
Cumulative gain/(loss) reclassified to retained earnings on sale of Equity Instrument designated as at FVTOCI	-	-	-	-	-	-	-	-	-	-
Total comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**(39,918.14)**	-	**(39,918.14)**	**(142.73)**	**(142.73)**	**(40,060.87)**
Balance at March 31, 2020	**57.64**	**205.00**	**18,500.00**	**122.20**	**(41,000.64)**	**2,500.00**	**(19,615.80)**	**(58.79)**	**(58.79)**	**(19,674.59)**
Add:										
Profit/ (Loss) for the year	-	-	-	-	5,239.27	-	5,239.27	-	-	5,239.27
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	(90.58)	-	(90.58)	-	-	(90.58)
Cumulative gain/(loss) reclassified to retained earnings on sale of Equity Instrument designated as at FVTOCI	-	-	-	-	(58.79)	-	(58.79)	58.79	58.79	-
Total comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**5,089.90**	**-**	**5,089.90**	**58.79**	**58.79**	**5,148.69**
Balance at March 31, 2021	**57.64**	**205.00**	**18,500.00**	**122.20**	**(35,910.74)**	**2,500.00**	**(14,525.90)**	**-**	**-**	**(14,525.90)**

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Nilesh Shah
Partner

Mumbai , Dated : 18th June 2021

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

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R S Moorthy
Chief Financial Officer

Jai Mavani
Director
(DIN-05260191)

Dattaram Shinde
Company Secretary

Mumbai , Dated : 18th June 2021

Background

Eureka Forbes Limited is a limited company incorporated and domiciled in India with its registered office situated at B1/B2, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, (West), Mumbai – 400 013. The Company is subsidiary of Forbes & Co Limited and ultimate holding company is Shapoorji Pallonji and Company Private Ltd.

The Company is engaged in Manufacturing, selling, renting and servicing of Vacuum cleaners, Water Filter cum purifiers, Water and Waste Water Treatment Plant; Trading in Electronic Air Cleaning Systems, Small Household Appliances, Digital Security System and Fire Extinguisher etc.

Note 1: Basis of preparation of Financial statements

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

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

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

(b) Historical Cost convention

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Judgements

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

Note 2(g) and 3(a) – Useful life of Property, plant and equipment
Note 2(h) and 4 – Useful life of Intangible assets
Note 25– Employee Benefit Expense
Note 19 and 30(I)(a)– Provisions and Contingent liabilities
Note 5 (a) – Estimated Fair Values of Unlisted Securities
Note 19– Estimation for provision of Warranty Claims
Note 6– Impairment of Trade Receivables and loans
Note 10 and 29– Income taxes
Note 9 and 29– Recognition of Deferred taxes
Note 2(m)– Refund Liabilities
Note 30(XI) - Impact of Covid-19

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.
Note 30(1) (a) and 30 (XIII) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impairment

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including operating results, business plans , future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.
Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the assets or liability
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in the following note:
Note 33 – Financial instruments.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency transactions

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

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

(b) Financial Instruments

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

(i) Financial Assets

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

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Effective interest method

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

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

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

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

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

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for ‘equity instruments through other comprehensive income.

(ii) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.
Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by the Company are measured at their fair values.

(c) Derecognition

Financial Assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

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

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

(d) Impairment
(i) Impairment of financial instruments
The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.
The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses :
-bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
-Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows ‘simplified approach’ for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward- looking information.

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

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

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

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

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

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

(g) Property plant and equipment

Freehold land is carried at historical cost. All other items of property ,plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

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

Type of Assets	Period
Plant & Machinery for cleaning services	5 years
Plant & Machinery on rent	6 years
Motor Cycles	3 years
Motor Cars	5 years
Office Equipments	3 - 5 years

(h) Intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

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

Type of Assets	Period
Technical Knowhow	5 years

Computer Software	5 years
Brand Name / Trademarks	5 Years

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

(i) Employee Benefits

(i) Short Term employee benefits

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

(ii) Defined Contribution Plans

Defined contribution plans are employee state insurance scheme and Government administered pension / provident fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

(iii) Defined Benefit Plans

Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate trust administered by the Company towards meeting the Gratuity obligation. The Company's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report , which comprise actuarial gains and losses are recognised in OCI.

Other long term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

(j) Research and Development

(a) Capital Expenditures are shown separately under respective heads of fixed assets.

(b) Revenue expenses are included under the respective heads of expenses.

(k) Lease Accounting

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company’s lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

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

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods.The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Ammendment in accounting standard Ind AS 116 on “Leases”

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

(l) Government Grant

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

(m) Revenue Recognition

The Company derives Revenue from sale of products primarily water purifiers and vacuum cleaners and providing related maintenance services. Revenue from sale of goods is recognised when control of the products being sold has transferred to the customer upon delivery. Revenue is measured net of taxes, returns, discounts, incentives and rebates earned by customers on the sales. Revenue from services are recognised over the period of time.

A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

In relation to certain contracts where installation services are provided by the company, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between company and customers.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the company using a best estimate based on accumulated experience.

Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

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

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(n) Taxation

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

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

Management perdiocally evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Also refer note no. 30 (I) for Uncertain Tax Position

The entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax asset (including in respect of carried forward tax losses and tax credits) are recognised to the extent it is probable that the taxable profit will be available against which deductible temporary differences can be utilised.

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

(o) Earnings Per Share

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

(p) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risk and 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 (where the effect of the time value of money is material).

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

Contingent assets are disclosed where inflow of economic benefit is probable.

(q) Investment in Subsidiary, Joint Ventures and Associate Companies

The Company has elected to recognize its investments in subsidiary, joint Ventures and associate companies at cost in accordance with the option available in IND AS 27, ' Separate Financial Statement'. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 2 (d) above.

(r) **Borrowing Cost**

Borrowing Cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

(s) **Derivatives**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedge. Such contracts are accounted for at fair value through the Statement of Profit and Loss

(t) **Assets Classified as held for sale**

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These assets are measured at lower of their carrying amount and fair value less costs to sell. Non current assets (or disposal group) are presented separately from the other assets in the balance sheet. The liabilities of disposal group, if any, are presented separately from the other liabilities in the balance sheet.

(u) **Business Combination**

Business Combination of the entities under common control are accounted using the "pooling of Interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies.

(v) **Segment Reporting**

The Group is primarily engaged in the business of Health, Hygiene & Safety products and its services. As the basic nature of these activities are governed by the same set of risk and returns, there is no primary segment identified as per Indian Accounting Standards (Ind AS) 108 "Operating Segments" notified under section 133 of the Companies Act 2013. The Group has identified geographical segment as its secondary segment.

3(a). Property, plant and equipment

Gross Block #	Land - Freehold	Land - Leasehold	Buildings **	Plant and Machinery $	Assets-on lease***	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at 1st April 2019	315.21	46.12	8,604.90	5,837.36	286.57	1,050.45	208.30	930.23	832.73	5,583.12	4,049.94	27,744.93
Additions	-	-	2.57	208.52	-	29.23	46.19	19.08	30.34	940.16	213.36	1,489.45
Deletions	-	-	-	(13.22)	(249.45)	(19.69)	(0.55)	(640.60)	(32.58)	(1,520.64)	(493.99)	(2,970.72)
Reclassified on account of adoption of Ind AS 116	-	(46.12)	-	-	-	-	-	-	-	-	-	(46.12)
Classified as assets held for sale	(0.99)	-	-	-	-	-	-	-	-	-	-	(0.99)
As at 31st March 2020	314.22	-	8,607.47	6,032.66	37.12	1,059.99	253.94	308.71	830.49	5,002.64	3,769.31	26,216.55
Additions	-	-	24.07	1,230.39	-	16.35	8.87	6.74	26.03	147.01	116.75	1,576.21
Deletions	-	-	(366.89)	(112.12)	(29.85)	(100.57)	(4.48)	(31.55)	(49.36)	(572.30)	(114.13)	(1,381.25)
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	314.22	-	8,264.65	7,150.93	7.27	975.77	258.33	283.90	807.16	4,577.35	3,771.93	26,411.51
Depreciation	Land - Freehold	Land - Leasehold	Buildings	Plant and Machinery	Assets-on lease	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at April 1, 2019	-	5.85	2,104.99	2,700.50	113.87	792.70	106.42	764.05	587.79	3,496.39	3,569.71	14,242.27
Charge for the year	-	-	185.68	329.96	27.92	45.25	24.41	77.64	39.00	705.31	184.70	1,619.87
Deletions	-	-	-	(13.22)	(124.83)	(13.69)	(0.53)	(595.26)	(23.33)	(1,354.85)	(482.97)	(2,608.68)
Reclassified on account of adoption of Ind AS 116	-	(5.85)	-	-	-	-	-	-	-	-	-	(5.85)
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2020	-	-	2,290.67	3,017.24	16.96	824.26	130.30	246.43	603.46	2,846.85	3,271.44	13,247.61
Charge for the year	-	-	178.84	384.35	3.56	36.28	22.06	20.59	36.24	626.48	192.64	1,501.04
Deletions	-	-	(171.54)	(97.23)	(15.76)	(89.01)	(3.49)	(29.40)	(40.77)	(469.47)	(111.20)	(1,027.87)
Reclassified on account of adoption of Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	-
Assets classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2021	**-**	**-**	**2,297.97**	**3,304.36**	**4.76**	**771.53**	**148.87**	**237.62**	**598.93**	**3,003.86**	**3,352.88**	**13,720.78**
Net Block												
As at 31st March 2020	**314.22**	**-**	**6,316.80**	**3,015.42**	**20.16**	**235.73**	**123.64**	**62.28**	**227.03**	**2,155.79**	**497.87**	**12,968.94**
As at 31st March 2021	**314.22**	**-**	**5,966.68**	**3,846.57**	**2.51**	**204.24**	**109.46**	**46.28**	**208.23**	**1,573.49**	**419.05**	**12,690.73**

** Includes a property for which co-op society is yet to be formed and also includes building given on lease

*** Assets given on Lease has a useful life of 6 years and depreciated accordingly.
$ Includes moulds given on Lease has a useful life of 15 years and depreciated accordingly.
# Refer note 35 for assets pledged as security

Notes to the financial statements for the year ended March 31, 2021 - continued

3(b). Right of Use Assets

Gross Block	Land - Leasehold ₹ in Lakhs	ROU Assets ₹ in Lakhs	Total ₹ in Lakhs
As at 1st April 2019	46.12	2,084.32	2,130.44
Additions	-	1,071.51	1,071.51
Deletions	-	(358.76)	(358.76)
As at 31st March 2020	46.12	2,797.07	2,843.19
Additions	-	172.67	172.67
Deletions	(38.88)	(82.95)	(121.83)
As at 31st March 2021	7.24	2,886.79	2,894.03

Depreciation	Land - Leasehold ₹ in Lakhs	ROU Assets ₹ in Lakhs	Total ₹ in Lakhs
As at April 1, 2019	5.85	-	5.85
Charge for the year	2.26	978.35	980.61
Deletions	-	(123.27)	(123.27)
As at 31st March 2020	8.11	855.08	863.19
Charge for the year	0.24	1,042.74	1,042.98
Deletions	(6.11)	(54.10)	(60.21)
As at 31st March 2021	**2.24**	**1,843.72**	**1,845.96**
Net Block			
As at 31st March 2020	**38.01**	**1,941.99**	**1,980.00**
As at 31st March 2021	**5.00**	**1,043.07**	**1,048.07**

4 Intangible Assets

Gross Block	Computer Software ₹ in Lakhs	Technical Knowhow ₹ in Lakhs	Brand Name / Trademarks # ₹ in Lakhs	Total ₹ in Lakhs
As at April 1, 2019	1,311.09	60.00	3,195.17	4,566.26
Additions	354.00	-	-	354.00
As at 31st March 2020	1,665.09	60.00	3,195.17	4,920.26
Additions	-	-	-	-
As at 31st March 2021	1,665.09	60.00	3,195.17	4,920.26
Amortisation				
As at 1st April 2019	1,166.17	28.10	3,195.17	4,389.44
Charge for the year	133.11	6.38	-	139.49
As at 31st March 2020	1,299.28	34.48	3,195.17	4,528.93
Charge for the year	145.53	5.11	-	150.64
As at 31st March 2021	1,444.81	39.59	3,195.17	4,679.57
Net Block				
As at 31st March 2020	**365.81**	**25.52**	**-**	**391.33**
As at 31st March 2021	**220.28**	**20.41**	**-**	**240.69**

Refer Note 35 for assets pledged as security

Notes to the financial statements for the year ended March 31, 2021 - continued

Financial assets

5 (a). Non Current Investments

Investments in Subsidiaries at Cost

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
10,00,000 (previous year 10,00,000) equity shares of ₹ 10/- fully paid up in Forbes Facility Services Private Limited.	100.00	100.00
48,27,263 (previous year 48,27,263) equity shares of ₹ 10/- fully paid up in Forbes Enviro Solutions Limited	518.86	518.86
15,001 (previous year 15,001) ordinary shares of Euro 1/- fully paid up in EFL Mauritius Limited	9.46	9.46
3,57,765 (previous year 3,57,765) equity shares of AED 1000/- fully paid up in Euro Forbes Limited. (Includes 3,16,150 shares issued at discount)	34,732.26	34,732.26
50,000 (previous year 50,000) equity shares of ₹ 10/- fully paid up in Euro Forbes Financial Services Limited	5.00	5.00
58,55,734 (previous year 58,55,734) equity shares of ₹ 10/- each fully paid up in Aquaignis Technologies Private Limited	490.97	490.97
500,000 (previous year Nil) equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited (Refer Note:-2 below)	50.00	-
70,00,000 (previous year Nil) equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited (Refer Note:-3 below)	2,474.15	-
33,500 (previous year 33,500) equity shares of CHF 1000/- each fully paid up shares in Forbes Lux International AG	22,899.48	22,899.48
Investments in Preference Shares		
2,87,05,230 (previous year 2,87,05,230) preference shares of Euro 1/- fully paid up in EFL Mauritius Limited	21,224.81	21,224.81
TOTAL UNQUOTED INVESTMENTS	82,504.99	79,980.84
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	77,831.80	77,831.80
Investments in Subsidiaries at Cost	**4,673.19**	**2,149.04**

Investments in joint ventures at cost

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
Nil (previous year 500,000) equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited (Refer Note:-2 below)	-	50.00
26,25,000 (previous year 26,25,000) equity shares of ₹ 10/- fully paid up in Forbes Concept Hospitality Services Private Limited	262.50	262.50
Nil (previous year 35,00,000) equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited (Refer Note:-3 below)	-	350.00
TOTAL UNQUOTED INVESTMENTS	262.50	662.50
Less : Aggregate amount of impairment in value of investments in joint ventures	262.50	262.50
Investments in joint ventures at cost	**-**	**400.00**

Notes to the financial statements for the year ended March 31, 2021 - continued

Financial assets

Other investments

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments - Other Company at FVOCI		
Nil (previous year 17,822) equity shares of ₹ 1/- fully paid up in Idea Bubble Consulting Services Private Limited	-	12.15
7,143 (previous year 7,143) equity shares of ₹ 10/- fully paid up in Water Quality Association. (Refer Note:-1 below)	0.71	0.71
TOTAL Investments in Equity Instruments and Debentures	0.71	12.86
Less : Aggregate amount of impairment in value of investments	-	-
Unquoted Investment at cost	**0.71**	**12.86**
Other investments	**0.71**	**12.86**
Equity Component in Fair value of Financial Guarantees		
Euro Forbes Limited	415.78	415.78
Forbes Lux International AG	130.67	105.23
Lux International AG (step down subsidiary)	282.56	211.19
	829.01	**732.20**
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	829.01	732.20
Equity Component in Fair value of Financial Guarantees	**-**	**-**
Total Non Current Investment	**4,673.90**	**2,561.90**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4,673.90	2,561.90
	4,673.90	2,561.90

Note 1:- The Company has invested in 7143 shares of face value ₹ 10 /- each in a non profit making organisation hence the fair value has been considered same as the carrying value

Note 2:- Forbes Aquatech Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 28th August 2020

Note 3:- Infinite Water Solutions Private Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 31st March 2021

5(b). Current Investments

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Quoted Investments in Mutual Funds		
Tata Overnight Fund - Regular Growth- NIL (previous year 3,51,741.70 units)	-	3,701.19
Tata Liquid Fund - Regular Plan - Growth -98,114.93 units (Previous Year - NIL)	3,163.98	-
HDFC Liquid Fund - Growth - 1,35,785.52 units (Previous Year - NIL)	5,455.42	-
Total Current Investment	**8,619.40**	**3,701.19**
Aggregate amount of quoted investments and market value thereof	8,619.40	3,702.37

6. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Trade receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	914.71	922.41	14,618.36	19,320.36
Unsecured , Debts due from related parties (refer note 30 VII)	-	-	3,280.65	3,023.44
Unsecured, which have significant increase in credit risk	-	-	-	-
Unsecured, credit impaired	1,232.12	1,147.78	-	-
Unsecured, credit impaired from related parties (refer note 30 VII)	195.21	-	-	-
	1,427.33	1,147.78	-	-
Less: Allowance for doubtful debts	1,427.33	1,147.78	-	-
Total	914.71	922.41	17,899.01	22,343.80

Trade receivables

Transactions with firms/Private Companies in which a Directors are interested.

Trade Receivable include ₹.99.83/- Lakhs (Previous Year ₹. 140.41 Lakhs) due from a Private Company Shapoorji Pallonji and Company Pvt Limited, in which a Director of the Company is a Director.

The Company's exposure to credit risk and loss allowances related to trade receivables are disclosed in Note 34 (a)

Refer note 35 for receivables pledged as security against borrowings

7. Loans

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Loans to related parties (Refer Note:-1 below) and (Refer Note 30 VII)				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	12,172.26	10,984.57	150.00	150.00
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	14,865.34	12,998.70	-	-
Less : Allowance for bad and doubtful loans	14,865.34	12,998.70	-	-
	12,172.26	10,984.57	150.00	150.00
Loans to Employees				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	-	-	13.38	17.03
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-	-
	-	-	13.38	17.03
	12,172.26	**10,984.57**	**163.38**	**167.03**

Note 1:- Inter corporate deposit given to a subsidiary company Forbes Lux International AG is subordinated to its other existing and future liabilities

8. Other financial assets

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Bank deposits with more than 12 months maturity	3.62	9.72	-	-
Deposit with Banks held as Margin Money	1,013.96	963.67	-	-
Security deposits - unsecured considered good	846.25	960.39	130.92	188.15
Advances to related parties (refer note 30 VII) (Refer Note 1 below)	5,516.61	-	-	-
Interest Accrued -				
on Inter Corporate Deposits to related parties	5,798.03	4,726.88	6.52	-
on Advances to related parties	55.17	-	-	-
on fixed deposits with Banks	-	-	34.95	30.46
	13,233.64	6,660.66	172.39	218.61

Note 1:- During the year Company has paid ₹. 5,516.61/- lakhs against the invocation of corporate guarantee given to banks on behalf of its subsidiary company since subsidiary company could not repay the instalment and interest in the absence of positive cash flow.

9. Deferred tax balances

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

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Deferred tax assets	1,591.43	916.19
Deferred tax liabilities	(931.54)	(850.19)
Net	**659.89**	**66.00**

10. Income tax assets and liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Income tax assets (Net)				
Advance income-tax (Net of provision for taxation)	2,316.06	3,423.78	-	-
Total	2,316.06	3,423.78	-	-
Income tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	882.42	261.83
	-	-	882.42	261.83

Notes to the financial statements for the year ended March 31, 2021 - continued

11. Other Assets

Particulars	Non Current As at March 31, 2021 ₹ in Lakhs	Non Current As at March 31, 2020 ₹ in Lakhs	Current As at March 31, 2021 ₹ in Lakhs	Current As at March 31, 2020 ₹ in Lakhs
Unsecured considered good, unless stated otherwise				
Capital Advances	57.64	460.64	-	-
Advances to related parties (refer note 30 VII)	272.80	272.80	0.04	0.04
Prepaid expenses	71.59	38.72	981.12	1,134.81
Right to Recover Returned Goods (Refer Note: 1 below)	-	-	90.00	81.00
Balance with statutory/ government authorities	1,459.50	1,568.07	2,386.47	2,864.77
Advances recoverable in cash or kind	-	1,050.00	959.87	1,954.75
Advances recoverable in cash or kind - Considered Doubtful	3,053.00	1,000.00	452.81	117.63
	3,053.00	2,050.00	1,412.68	2,072.38
Less: Provision for doubtful advances	3,053.00	1,000.00	452.81	117.63
	-	1,050.00	959.87	1,954.75
Total	1,861.53	3,390.23	4,417.50	6,035.37

Note 1:- A return right gives the company a contractual right to recover the goods from a customer (return assets) if the customer exercises his right to return the goods and the right to recover returned goods is accounted for the products that are expected to be returned

12. Inventories

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Inventories (lower of cost and net realisable value)		
Raw Materials ,Components and Packing Material { Includes in transit ₹.1,304.12/- Lakhs (Previous Year ₹ 2,350.37 Lakhs)}	5,170.45	5,559.11
Finished Goods {includes in transit:₹ 92.09/- Lakhs (Previous year: ₹ 1,137.98 Lakhs)}	4,740.61	8,888.76
Stock in Trade {includes in transit ₹. ₹.1,962.35/- Lakhs (Previous year: ₹.845.04 Lakhs)}	7,820.49	5,821.24
Spares & Accessories {includes in transit ₹.261.33/- Lakhs - (Previous year: ₹ 393.28 Lakhs)}	8,967.57	7,549.30
	26,699.12	27,818.41

* Refer note 35 for inventories pledged as security against borrowing

The cost of inventories recognised as an expense includes ₹. 541.55 lakhs (Previous year: ₹.68.30 Lakhs) in respect of write-downs of inventory to net realisable value.

Eureka Forbes Limited

13. Cash and cash equivalents and other bank balances

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

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Balances with Banks in current accounts	1,517.86	510.05
Cheques, drafts on hand	188.75	56.38
Cash on hand	90.29	41.50
Deposits with original maturity of less than 3 Months	2.63	3.90
Total Cash & cash equivalents	**1,799.53**	**611.83**
Bank Balances other than cash & cash equivalents		
Deposits with original maturity of more than 12 months *	419.82	11.83
Deposits with original maturity of more than 3 months but less than 12 months *	63.17	71.34
Total Bank Balances other than cash & cash equivalents	**482.99**	**83.17**
Cash and cash equivalents as per cash flow statement	1,799.53	611.83

* Deposits lodged as security with Government authorities

14. Equity Share Capital

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Equity share capital	377.80	377.80
Total	377.80	377.80

Authorised Share capital :

Particulars	Number of shares	Share capital ₹ in Lakhs
As at April 1, 2019	2,05,00,000	2,050
Increase during the year	-	
As at April 1, 2020	2,05,00,000	2,050
Increase during the year	-	-
Balance at March 31, 2021	**2,05,00,000**	**2,050**

Issued and subscribed capital comprises:

37,78,000 fully paid equity shares of ₹.10 each (as at March 31, 2020: 37,78,000)	377.80	377.80
	377.80	377.80

Movement in equity share capital :

Particulars	Number of shares	Share capital ₹ in Lakhs
Balance at April 1, 2019	37,78,000	377.80
Less: Bought back during the year	-	-
Balance at March 31, 2020	37,78,000	377.80
Less: Bought back during the year	-	-
Balance at March 31, 2021	**37,78,000**	**377.80**

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

2. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	Fully paid ordinary shares	
	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year- held by Forbes & Company Limited	37,78,000	37,78,000
Add: Issued during the year	-	-
Total as at the end of the year	**37,78,000**	**37,78,000**

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding	Number of shares held	% holding
Fully paid equity shares				
Forbes & Company Limited	37,78,000	100%	37,78,000	100%
Total	37,78,000	100%	37,78,000	100%

Notes to the financial statements for the year ended March 31, 2021 - continued

15. Other equity

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
1) General reserve		
Balance at beginning of the year	18,500.00	18,500.00
Transfer from Profit	-	-
Balance at end of the year	**18,500.00**	**18,500.00**
2) Retained earnings		
Balance at beginning of year	(41,000.64)	(1,082.50)
Add/ (less): Profit/ (Loss) for the year	5,239.27	(39,840.88)
Other comprehensive income/(loss) arising from re-measurement of defined benefit obligation, net of tax	(90.58)	(77.26)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument designated at FVTOCI	(58.79)	-
Balance at end of the year	**(35,910.74)**	**(41,000.64)**
3) Fair Value Reserves- Equity Instrument at FVTOCI		
Balance at beginning of the year	(58.79)	83.94
Add/Less: Net fair value gain/(loss) in Equity instruments through other comprehensive income (Net of Tax)	-	(142.73)
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument designated at FVTOCI	58.79	-
Balance at end of the year	**-**	**(58.79)**
4) Capital redemption reserve		
Balance at beginning of the year	122.20	122.20
Balance at end of the year	**122.20**	**122.20**
5) Capital Reserve on account of Merger		
Balance at beginning of the year	205.00	205.00
Balance at end of the year	**205.00**	**205.00**
6) Capital Reserve		
Balance at beginning of the year	57.64	57.64
Balance at end of the year	**57.64**	**57.64**
7) Security Premium		
Balance at beginning of the year	2,500.00	2,500.00
Balance at end of the year	**2,500.00**	**2,500.00**
Total	**(14,525.90)**	**(19,674.59)**

Description of nature and purpose of reserves

1) General Reserve
The company created a General Reserve in earlier years pursuant to the provision of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividend. As per Companies Act, 2013 the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the company .

2) Retained Earnings
This reserve represents the cumulative profits of the company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

3) Reserve for equity instruments through other comprehensive income
Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

4) Capital Redemption Reserve
As per the provisions of Companies Act, 2013 Capital Redemption Reserve is created out of the Free reserve for the amount equivalent to the paid up capital of shares bought back by the Company and for redemption of Preference share capital.

5) Capital Reserve On account of merger
Capital Reserve on account of merger represents the difference between the Share Capital of transferor company and the recorded investment of transferee company as on appointed date and shown separately in the statement of changes in Equity

6) Capital Reserve
Grants received from the government in the nature of promoter’s contribution towards fixed capital investment are recognised as capital reserve and treated as part of total equity.

7) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act , 2013

Financial Liabilities

16. Borrowings

Particulars	Non-current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Secured – at amortised cost				
Term loans from				
Banks - Foreign currency denominated loans	-	-	-	1,971.76
Banks - Rupee Term loan	7,395.40	9,849.85	-	-
Amount disclosed under the head "Other Financial Liabilities " (note 18)	-	-	-	(1,971.76)
Total Non-current borrowings	**7,395.40**	**9,849.85**	**-**	**-**

Summary of borrowing arrangements

(i) Rupee Term loan (RTL) from ICICI Bank amounting to ₹. 10,000.00 Lakhs (Outstanding as on 31st March 2021 ₹. 7,500.00 Lakhs) carries interest rate of 1 year MCLR + Spread and secured against pari pasu charge on tangible assets and brand name/ trade marks (Excluding vehicles and two wheelers purchased under Employee Benefit Scheme). The outstanding amount is payable 12 equal quaterly instalment starting from 18th June 2022.

Notes to the financial statements for the year ended March 31, 2021 - continued

17. Trade payables

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Trade and other payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	3,910.07	1,801.78
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below for dues to Micro and Small Enterprises)	-	-	18,436.93	22,447.47
Trade payables to related parties (Refer note 30 VII)	-	-	2,856.17	4,431.67
Total	-	-	25,203.17	28,680.92

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 under the Chapter on delayed payments to Micro and Small Enterprises

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
(i) Principal amount remaining unpaid to MSME suppliers as on year end	3,907.88	1,797.86
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	2.19	3.92
(iii) The amount of interest paid along with the amounts of the payment made to the MSME suppliers beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year (without adding the interest under MSME Development Act)	-	-
(v) The amount of interest accrued and remaining unpaid as on year end	2.19	3.92
(vi) The amount of interest due and payable to be disallowed under Income Tax Act, 1961	2.19	3.92

18. Other financial liabilities

Particulars	Non Current As at March 31, 2021 ₹ in Lakhs	Non Current As at March 31, 2020 ₹ in Lakhs	Current As at March 31, 2021 ₹ in Lakhs	Current As at March 31, 2020 ₹ in Lakhs
(a) Current maturities of long-term debt	-	-	-	1,971.76
(b) Interest accrued but not due on borrowings				
-From banks	-	-	13.69	19.15
-From related Parties (Refer note 30 VII)	-	-	-	23.76
(c) Interest free trade deposits	-	-	4,804.20	4,707.33
(d) Others :-				
-Dues to employees	-	-	4,818.51	4,298.73
-Dues on account of customer rebate schemes and other contractual liabilities	-	-	1,803.89	1,687.34
Total	**-**	**-**	**11,440.29**	**12,708.07**

Notes to the financial statements for the year ended March 31, 2021 - continued

19. Provisions

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Employee benefits - Compensated absences	356.33	336.77	88.22	63.79
Gratuity payable	-	-	255.30	192.50
Other provisions (Refer Note 30XIII)				
Warranties	-	-	1,606.92	1,531.71
Others	-	-	51.25	51.25
Total	**356.33**	**336.77**	**2,001.69**	**1,839.25**

20. Other Liabilities

Particulars	Non Current		Current	
	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Contract Liabilities - Income received in advance (Refer Note 30 XV)	10,626.98	11,581.85	36,201.34	32,535.27
Others - Deductions from employees for company's assets	910.20	1,011.62	1,199.38	1,265.63
Advance from customers	-	-	1,303.47	938.87
Contract Liabilities - Others (Refer Note 1 below)	-	-	22.00	6.00
Refund Liabilities (Refer Note 2 below)	-	-	1,837.40	1,104.46
Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	2,588.80	985.02
Total	**11,537.18**	**12,593.47**	**43,152.39**	**36,835.25**

Note 1: Contract liability pertains to deferred revenue arising as a separate performance obligation.

Note 2: The company recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers .

21. Current Borrowings

Standalone Financial Statements

Particulars	As at March 31, 2021 ₹ in lakhs	As at March 31, 2020 ₹ in lakhs
Unsecured - at amortised cost		
Loans repayable on demand		
- from banks (refer Note 1 below)	1,977.90	986.30
- from related party (refer Note 3 below)	-	2,500.00
Secured - at amortised cost		
Loans repayable on demand		
-from banks (Cash credit/ Buyers credit) (refer Note 2 below)	19,105.15	14,981.18
Total	21,083.05	18,467.48

Note 1. Unsecured short term borrowing from banks carries interest @ 8.95 % p.a.

Note 2. Short term borrowing from banks is secured by pari-passu charge on hypothecation of stock-in-trade & book debts and carries interest @ 9 % to 10.95 % p.a.

Note 3. During the year ended 31 March 2020, the Company had taken unsecured Loan of ₹ 3,000.00/- Lakhs from Infinite Water Solutions Limited ("IWSPL") carrying an interest rate of 10.25% p.a. Company repaid Rs 1,000.00/- lakhs in cash and the balance loan along with interest has been adjusted against the interim dividend receivable by the Company from IWSPL. Also refer note 30.

Notes to the financial statements for the year ended March 31, 2021 - continued

22. Revenue from operations

	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Sale of products	1,28,555.60	1,37,146.75
Sale of services	49,380.01	50,440.75
Other operating revenues		
Scrap sales	271.33	226.97
Other (includes income from renting of assets)	420.05	725.21
Total	**1,78,626.99**	**1,88,539.68**

23. Other Income and other gains/ (losses)

Other Income	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	86.53	89.72
Interest Others	239.50	88.09
Interest income on financial assets at amortised cost	1,091.47	867.68
Dividend Income from equity Investments measured at Cost		
Subsidiaries	3,000.00	-
Fair value Commission on Financial Guarantee	96.82	90.02
Rental Income from Operating Lease	80.57	76.47
Others (includes Government grants ₹.430.58/- lakhs (previous year ₹ 211.80/- lakhs))	770.15	555.73
Total (A)	**5,365.04**	**1,767.71**

Other gains/(losses) -Net	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Gain/(loss) on disposal of property, plant and equipment	641.12	333.34
Gain/(loss) on disposal of Investments at FVTPL	150.64	105.05
Net foreign exchange gains/(losses)	770.25	1,406.99
Net gain/(loss) arising on financial assets measured at FVTPL	67.88	0.50
Gain/(Loss) on Modification/Disposal of Right of use assets	14.65	7.94
Total (B)	**1,644.54**	**1,853.82**
Total (A+B)	**7,009.58**	**3,621.53**

24. Cost of Goods Sold

	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Raw Materials, Components and Packing Materials -		
Inventory at the beginning of the year	5,559.11	3,934.32
Add : Purchases	52,468.10	62,878.54
	58,027.21	66,812.86
Less : Inventory at the end of the year	5,170.45	5,559.11
Cost of Raw Materials, Components and Packing Materials consumed	52,856.76	61,253.75
Purchases of stock-in-trade	20,734.61	19,786.34
Changes in inventories of finished goods, Spares, work-in-progress and stock-in-trade.	730.63	(3,676.00)
Total	**21,465.24**	**16,110.34**

25. Employee benefits expense

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Salaries and Wages	28,977.25	28,321.03
Contribution to provident and other funds	1,519.93	1,667.20
Staff Welfare Expenses	276.73	740.68
Total	**30,773.91**	**30,728.91**

26. Finance costs

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Interest on bank overdrafts and loans	3,017.30	3,180.02
Interest on Lease Liabilities	154.58	237.17
Exchange differences regarded as an adjustment to borrowing costs	74.22	75.29
Other borrowing costs	57.17	476.25
Total	**3,303.27**	**3,968.73**

27. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Depreciation of property, plant and equipment	1,501.04	1,619.87
Depreciation of right of use assets	1,042.98	980.61
Amortisation of intangible assets	150.64	139.49
Total	**2,694.66**	**2,739.97**

28. Other expenses

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Electricity Power and fuel	225.65	313.20
Rent	969.25	1,127.80
Repairs and Maintenance -		
Building	50.47	85.85
Machinery	45.54	56.03
Others	577.37	688.63
Insurance	631.03	600.60
Advertisement	2,427.70	4,139.54
Selling and Sales Promotion	10,978.97	12,737.21
Freight, Forwarding and Delivery	4,970.39	4,665.73
Wages to contractual workers	953.74	932.94
Payment to Auditors (Refer details Below)	113.48	138.43
Printing and Stationery	112.74	257.72
Communication cost	990.76	1,043.96
Travelling and Conveyance	599.22	2,314.89
Legal and Professional Fees	3,851.65	5,394.90
Vehicle Running Expenses	812.36	1,283.21
Rates and taxes, excluding taxes on income	309.68	288.50
Conference Expenses	106.50	1,948.08
Service Charges	24,414.90	27,071.90
Information Technology Expenses	3,482.12	3,563.96
Logistics Expenses	1,835.69	1,541.04
Other Establishment Expenses	3,092.63	4,591.57
Corporate Social Responsibility Expenses (Refer Note 30 V)	99.00	139.32
Directors' Sitting Fees	33.30	23.70
Bad Debts/Advances Written-Off	805.52	511.62
Provision for Doubtful Debts / Advances	2,667.73	1,132.58
Commission to Directors	248.00	167.00
Total	**65,405.39**	**76,759.91**

Payments to auditors	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
As Statutory auditor		
For Audit fee (Includes limited review fees)	95.00	90.00
For other services	9.15	38.20
For reimbursement of expenses	0.67	1.39
As Cost auditor	4.65	4.75
	109.47	134.34

29. Income tax recognised in statement of profit and loss

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Current tax		
In respect of the current year	2,230.46	525.98
In respect of prior years	298.04	(0.21)
	2,528.50	525.77
Deferred tax		
In respect of the current year	(593.89)	(353.14)
	(593.89)	(353.14)
Total income tax expense recognised in the current year	1,934.61	172.63

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

I Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities:

(i) Corporate Guarantee given to Bank on behalf of a Subsidiary Company - ₹.19,222.56/- lakhs (previous year ₹.18,722.65/- Lakhs) (Loan Outstanding against this guarantee is ₹.6,977.90/- Lakhs (previous year ₹.13,558.38/- Lakhs))

(ii) Disputed Income Tax Demands* - ₹.1060.34/- lakhs (previous year ₹.1,143.36/- Lakhs)

(iii) Disputed Central Excise Demands - ₹.1,442.81/- lakhs(previous year ₹.1,442.81 lakhs)

(iv) Disputed Sales Tax demands -₹.3,720.79/- lakhs (previous year ₹.3,477.01/- lakhs)

(v) Disputed Service Tax demands - ₹.1,945.68/- lakhs (previous year ₹.1,945.68/- lakhs)

(vi) Disputed civil suit - ₹.33.73/- lakhs (previous year - ₹.33.73/- lakhs)

(vii) Disputed claims against the company not acknowledged as debt ₹.42.84/- lakhs (Previous Year ₹.42.84/- lakhs)

(viii) Disputed Goods and Services Tax Demand - ₹.438.16/- Lakhs (previous year ₹.82.33/- Lakhs)

(ix) One of the subsidiary company of Lux International AG, Lux Deutschland GmbH became insolvent and was liquidated and deconsolidated during the year. The Settlement Agreement concluded on the 27th November 2020, with the Insolvency Administrator of the former Lux Deutschland GmbH (“Lux Germany”) includes an earn-out clause, whereas a profit share on the consolidated Net Result of Eureka Forbes Limited Group in 2023-24 & 2024-25 or Lux Group in 2023 and 2024 would be assigned to the insolvency mass. – This profit share amounts to 1/3 of a Net Profit exceeding 1.0mn EUR in each of the two years. The total amount of the two profit shares has been limited to a maximum amount of 1.7mn EUR. Considering the historical Net Loss situation of the past years, the actual significant market distortions due to the Covid pandemic, and the high uncertainty of future profit projections, the management considers it unlikely that such profit share will have to be paid out in the upcoming years. Accordingly, no provisions have been recorded for such pay-out.

* In calculating the tax expense for the current year, the Company has considered taxability of certain income and allowability of certain expenditure for tax purpose based on the orders/judgments passed in further appeals in its own assessment of earlier years. Based on the same, no additional provision is envisaged necessary as on 31 March 2021 in respect of earlier years and current year.

(b) Commitments:

(i) Estimated amount of contracts remaining to be executed on capital account and not provided for - ₹.55.26/- lakhs (previous year ₹.351.14/- lakhs)

(ii) Towards performance guarantee ₹.474.90/- lakhs (previous year ₹.587.49 lakhs)

(iii) Towards service performance ₹. 825.79/- lakhs (previous year ₹.846.35/- lakhs)

(iv) The Company has given financial support letter for continuing operation to subsidiaries Forbes Lux International AG and Forbes Enviro Solutions Limited

In respect of all items mentioned in (a) above, till the matter are finally decided, the timing of outflow of economic benefit cannot be ascertained.

II a.) The company is in the business of giving products on operating lease and the details are as under :

	2020-21 ₹ Lakhs	2019-20 ₹ Lakhs
Gross carrying amount of products given on operating lease	7.26	37.11
Accumulated Depreciation	4.77	16.96
Depreciation for the year	3.56	27.92

b.) The company has given certain office / factory premises & moulds on operating lease basis. Details of which are as follows -

Particulars	Building		Plant and Machinery (Moulds)	
	As at March 31, 2021 ₹ Lakhs	As at March 31, 2020 ₹ Lakhs	As at March 31, 2021 ₹ Lakhs	As at March 31, 2020 ₹ Lakhs
Gross Amount	367.22	367.22	35.66	35.66
Accumulated Depreciation	125.86	112.87	26.40	24.70
Depreciation	12.99	12.99	1.70	1.70

c.) The company has given commercial premises under cancellable operating lease. Lease rental income included in the statement of profit and loss for the year is ₹.80.57/- Lakhs (Previous Year ₹.76.47 Lakhs) for Premises.

III The Company is primarily engaged in the business of Health, Hygiene & Safety products and its services. Information reported to and evaluated regularly by chief operating decision maker for the purpose of resource allocation and assessing performance focuses on the business as a whole. accordingly there is no other separate segment as per Indian Accounting Standard 108 dealing with "Operating Segment" . The geographical segmentation is insignificant as the export turnover is less than 10% of the total turnover and also company's Non Current assets (other than Financial Instrument, deferred tax, post employment benefits and rights arising under insurance contracts) are located in India.

Revenue from transactions with a single external customer did not amount to 10% or more of the Company's revenue from external customers for current and previous year.

The Company's main revenue is from sale of water purifiers , spares and servicing.

Revenue from External Customers :

	Year ended March 31, 2021	Year ended March 31, 2020
	₹ Lakhs	₹ Lakhs
India	1,77,280.02	1,86,228.14
Outside India	1,346.97	2,311.54
Total Revenue	**1,78,626.99**	**1,88,539.68**

IV The aggregate amount of Assets, Liabilities, Income and Expenses related to the Company's interests in the Joint Venture as at March 31, 2021 is as follows:

Sl.No	Name of the Company	Country of Incorporation	Year Ended on	% Holding	Eureka Forbes Limited Share			
					Assets	Liabilities	Income	Expenses
					₹ Lakhs	₹ Lakhs	₹ Lakhs	₹ Lakhs
1	Forbes Concept Hospitality Services Pvt Limited	India	31.03.2021	50%	9.01	8.92	0.46	0.71
			31.03.2020	50%	8.56	8.21	0.42	0.53
2	Forbes Aquatech Limited	India	31.03.2021	Note:- 1	-	-	-	-
			31.03.2020	50%	1,207.76	214.45	1,428.69	1,193.48
3	Infinite Water Solutions Pvt Limited	India	31.03.2021	Note:- 2	-	-	-	-
			31.03.2020	50%	2,836.70	853.23	2,388.93	1,990.25

Note 1:- Forbes Aquatech Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 28th August 2020 with 66.67% of holding.

Note 2:- Infinite Water Solutions Private Limited (erstwhile Joint Venture), has become subsidiary during the year w.e.f 31st March 2021 with 100% of holding.

V Corporate social responsibility expenditure:-

Particulars	For the year ended 31 March 2021			For the year ended 31 March 2020		
a)Gross amount required to be spent by the company during the year	₹ 98.98 Lakhs			₹ 139.32 Lakhs		
b) Amount spent during the year on						
Particulars	Paid in cash	Yet to be paid	Total	Paid in cash	Yet to be paid	Total
(i) Construction/acquisition of any asset	-	-	-	-	-	-
(ii) Purposes other than (i) above	99.00	-	99.00	139.32	-	139.32

VI The Board of Directors of Eureka Forbes Limited (" the Company") at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement (“the scheme”) under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited (“ATPL”) and Euro Forbes Financial Services Limited (“EFFSL”) (presently wholly owned subsidiaries of the Company) with and into the Company and amalgamation and vesting of the Company with and into Forbes and Company Limited (“the Parent Company”). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the Parent Company into Forbes Enviro Solutions Limited (“FESL”) (presently wholly owned subsidiary of the Company), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

The Parent Company has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals.

VII As required under Indian Accounting Standard 24 on "Related Party Disclosures" the list of related parties and their transactions is attached. (Annexure 'A' & 'B').

VIII ₹.886.48/- Lakhs (Previous year ₹.1,335.06 Lakhs) revenue expenses incurred during the year on Research and Development has been charged to the respective heads of accounts.

IX Disclosure pursuant to Section 186(4) of the companies Act 2013

Name of the Company	Nature of transaction	Purpose	2020-21		2019-20	
			Amount Given/(Repaid) during the Year ₹ Lakhs	Closing Balance as at 31st March 2021 ₹ Lakhs	Amount Given/(Repaid) during the Year ₹ Lakhs	Closing Balance as at 31st March 2020 ₹ Lakhs
Forbes Lux International AG (Loan from Axis Bank, IBU, GIFT CITY Outstanding amount ₹.1,464.60/- Lakhs*)	Corporate Guarantee	For expansion of Business	-	5,052.86*	-	5,157.29*
Lux International AG (Loan from ICICI Bank UK Plc Outstanding amount ₹.5,513.30/- Lakhs*)	Corporate Guarantee	For expansion of Business	-	14,169.71*	-	13,565.34*
Sterling & Wilson Private Limited	Loan	Working capital	2,000.00	-	-	-
Sterling & Wilson Private Limited	Loan	Working capital	(2,000.00)	-	-	-
Forbes Lux International AG	Advances	Invocation of Bank Guarantee	-	5,516.61	-	-
Forbes Lux International AG	Loan	For expansion of Business	2,083.76	12,172.26*	3,453.02	10,984.57*
Forbes Enviro Solutions Limited	Loan	Working capital	-	150.00	(200.00)	150.00

For Investment made refer note: 5
* Year end balance has been restated at the year end forex currency rate and after Impairment.
The company has been legally advised that loans made, guarantee given or security provided do not come under the purview of Section 186 of Companies Act, 2013 as the Company is engaged in the business of infrastructure facilities which includes Manufacturing, Trading, of Water Filter cum purifiers and Water and Waste Water Treatment Plant.

X During the year, the company continued to assess the business projections (including impact of Covid-19 pandemic) on one of the subsidiary group in Europe "Lux group". Based on the assessment of the revised future projections including impact of Covid-19 pandemic, carried out by the company's management after considering current economic conditions and trends , estimated future operating results and growth rates, an amount of ₹. 1,963.46/- Lakhs (Previous Year: 40,267.85/- Lakhs) has been further impaired in the Statement of Profit and Loss as impairment of investments and loans in Lux group and disclosed as an exceptional item.

XI Impact of Covid-19:
Operations of the Company continued to be impacted during the year due to measures imposed by various government to contain the Covid-19 pandemic. Business activities gathered momentum though recovery has been gradual and partial due to the second wave of the Covid-19 pandemic.

The Company has evaluated impact of this pandemic, including the second wave, on its business operations and financial position and based on its review of current and estimated future global, including Indian economic indicators, the related impact has been considered on its financial results and financial position as at March 31, 2021. The Company, based on current performance & estimates, expects the demand to further pick up in medium to long term and attain pre-COVID levels of performance at a cumulative level basis which the carrying amount of the receivables, inventories and investments and loans and advances (including interest accrued thereon) will be recovered. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial statements. The Company will continue to monitor any material changes to future economic conditions.

XII Going concern:
While the company has earned profit after tax of ₹.5,239.27/- Lakhs during the year ended March 31, 2021, as of that date, the Company's current liabilities exceeded its current assets by ₹. 44,246.71/- lakhs which includes an amount of ₹. 36,201.34/- lakhs as advance of service contracts against which service obligation is outstanding but no material cash outflow is expected since amounts will be replenished by renewals of existing and new service contracts. After adjusting such advances for service contracts, the net current liabilities effectively would be ₹. 8,045.37/- lakhs. Also, the Company has accumulated losses of ₹. 35,910.74/- lakhs as on March 31, 2021 and a total equity of ₹. (-) 14,148.10/- lakhs. Further, the company has provided financial support to its subsidiaries, 'FLIAG' and 'Lux Group' to repay the instalments of loans for certain borrowings of FLIAG and Lux group and also to keep them adequately capitalized. The net worth of company has been fully eroded mainly due to provision for impairment of investments in and loans to subsidiaries over the periods including for Lux Group.
The financial statements for the year ended March 31, 2021 have been prepared on a "Going Concern" basis in view of the fact that the Company has already initiated the process of taking such measures as cost reduction, revision in business strategy and reduction in cash outflow which will ultimately strengthen its financial position and also that the Company expects continued increase in demand for its products as the health consciousness amongst people is increasing consequent to the COVID-19 pandemic. Company's operating cash flow has improved during the year ended March 31, 2021 and also has undrawn fund based facilities from banks to run its operations.
Further, Forbes & Company Limited ("Parent Company" of group) has, vide its letter dated February 8, 2021, stated that they will periodically and in a timely manner subject to approval by its Board of Directors, make further investment or infuse funds in the company as and when necessary to do so..
The Board of Directors have assessed the above conditions and indicators and have come to the conclusion that no material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern taking into account the plans management has put in place and the other mitigating factors described above.

XIII Disclosures required by Indian Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets"

A) Particulars

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	₹ in Lakhs Excise Duty	₹ in Lakhs Sales Tax	₹ in Lakhs Excise Duty	₹ in Lakhs Sales Tax
At the beginning of the year	49.96	1.29	108.47	1.29
Additional provision during the year	-	-	-	-
Provision utilized during the year	-	-	-	-
Write back during the Year	-	-	58.51	-
At the end of the year	49.96	1.29	49.96	1.29

B) **Warranty provision**

The company gives warranty on certain products, towards satisfactory performance of products during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The table given below gives information about movement in warranty provisions:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
At the beginning of the year	1,531.71	1,030.77
Add: Additions during the year*	1,606.92	1,531.71
Less: Utilization during the year	1,465.60	500.93
Less: Unused amount reversed /(additional utilisation) during the year	66.11	529.84
At the end of the year	1,606.92	1,531.71

*Included in Service Charges under other Expenses

XIV Disclosures required under Indian Accounting Standard 116 on "Leases" refer attached Annexure 'C'.

XV Remaining performance obligation towards rendering of maintenance contracts as at the year end is recognized as "Income received in advance" and presented in "Other liabilities". This obligation pertains to maintenance services that would be carried out over the contract period for which company has received the advance. The service period ranges from 1 year to 4 years. Management believes that 77% pertaining to remaining obligation as of the year ended 31 March 2021 will be recognised as revenue during the next financial year 20% will be recognized as revenue in FY 22-23 and 3% will be recognised in FY 23-24

Reconciliation of Revenue Recognised with contract price:

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**
	₹ in Lakhs	**₹ in Lakhs**
Contract Price *	1,82,158.07	1,91,928.37
Adjustment for		
Less:		
Refund Liabilites Promotion Items	597.88	197.17
Refund Liabilities - Sales Return estimate	200.00	180.00
Performance Liabilities	22.00	6.00
Add: Unperformed performance obligation at the end the period	46,828.32	44,117.12
Less: Unperformed performance obligation at the beginning of the period	(44,117.12)	(41,111.60)
Revenue from continuing operations	1,78,626.99	1,88,539.68

* Net of Taxes

XVI The disclosures required under Indian Accounting Standard 19 "Employee Benefits" the details of post employment benefit is attached. Annexure D

XVII The Indian Parliament has approved the Code on Social Security ,2020 ("the code") which, inter alia, deals with employees benefits during employment and post employment . The code has been published in the Gazette of India. The effective date of the code is yet to be notified and the rules for quantifying the financial impact are also yet to issued. In view of this, the impact of change , if any , for the Parent and Indian subsidiaries will be assessed and recognised post notification of the relevant provisions.

XVII The Financial statement were approved for issue by the board of directors on 18th June 2021

Notes to the financial statements for the year ended March 31, 2021 - continued

30 (VII) Additional information to the financial statements

Annexure 'A'

A **Enterprises having more than one half of Voting Powers-**

Forbes & Company Limited - Holding Company

Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company

		Country	Holding in % as at 31-Mar-21
B	**Enterprises that are controlled - (Subsidiary Company)-**		
1	Aquaignis Technologies Pvt. Limited	India	100
2	Forbes Aquatech Limited (w.e.f. 28th August 2020)	India	66.66
3	Infinite Water Solutions Private Limited (w.e.f. 31st March 2021)	India	100
4	EFL Mauritius Limited	Mauritius	100
5	Euro Forbes Financials Services Limited	India	100
6	Euro Forbes Limited	Dubai	100
7	Forbes Enviro Solutions Limited	India	100
8	Forbes Facility Services Pvt Limited	India	100
9	Forbes Lux FZCO	Dubai	100
10	Forbes Lux International AG	Switzerland	100
11	LIAG Trading and Investments Limited	Dubai	100
12	Lux (Deutschland) GmbH (upto 8th May 2020)	Germany	100
13	Lux Hungária Kereskedelmi Kft.	Hungary	100
14	Lux International AG	Switzerland	100
15	Lux Italia srl (upto 31st December 2020)	Italy	100
16	Lux Norge A/S (upto 31st December 2020)	Norway	100
17	Lux Oesterreich GmbH	Austria	100
18	Lux Schweiz AG	Switzerland	100
19	Lux International Services & Logistics GmbH (formerly: Lux Service GmbH)	Germany	100
20	Lux Professional SA (RENAMED. - Formerly: Lux Aqua Paraguay SA)	Paraguay	100
21	Lux del Paraguay S.A. (considered as Subsidiary by virtue of operational control)	Paraguay	80
22	Lux Welity Polska sp. z o.o.	Poland	100

C.	Enterprises under Common Control -(where there are transactions)		
1	Afcons Infrastructure Limited	India	
2	Forbes Technosys Limited	India	
3	Jaykali Developers Pvt. Limited	India	
4	Relationship Properties Pvt. Limited	India	
5	SD Corporation Private Limited	India	
6	Shapoorji Pallonji Engg & Construction Pvt Limited	India	
7	Shappoorji Infrastructure Pvt Limited	India	
8	Sterling & Wilson Pvt. Limited	India	
9	Transtonnelstroy Afcons Joint Venture	India	
10	Eureka Forbes Institute of Environment (Trust)	India	
11	Gokak Textiles	India	
D	Associate Company		
	Euro P2P Direct (Thailand) Co. Limited	Thailand	
E	Joint Venture		
1	AMC cookware Limited	South Africa	50
2	Forbes Concept Hospitality Services Private Limited	India	50
3	Forbes Aquatech Limited (upto 27th August 2020)	India	50
4	Infinite Water Solutions Private Limited (upto 30th March 2021)	India	50

F Key Management Personnel

1 Mr. Shapoor P Mistry -Non - Executive Chairman

2 Mr.Marzin R. Shroff - Managing Director & CEO

3 Mr.Pallon Shapoor Mistry - Non - Executive Director

4 Mr.Mahesh Chelaram Tahilyani - Non - Executive Director

Notes to the financial statements for the perido ended 31st Mar , 2021 - continued

Annexure 'B'

(II) Transactions with Related Parties for the period ended 31st Mar 2021

Nature of Transactions	Related Party					
	Referred to in A above ₹ in Lakhs	Referred to in B above ₹ in Lakhs	Referred to in C above ₹ in Lakhs	Referred to in D above ₹ in Lakhs	Referred to in E above ₹ in Lakhs	Referred to in F above ₹ in Lakhs
Purchases						
Goods and Materials	-	7,864.92	-	-	-	-
Services	-	123.05	-	-	-	-
	-	7,987.97	-	-	-	-
Sales						
Goods and Materials	54.62	1,645.37	103.08	-	-	-
Services Rendered	4.23	4.20	59.55	-	-	-
	58.85	1,649.57	162.63	-	-	-
Expenses						
Rent and other services	-	-	-	-	-	-
Repairs & Other Expenses	-	479.19	6.86	-	-	-
Interest on ICD Taken	95.94	222.83	-	-	-	-
Recovery of Expenses	-	0.34	-	-	-	-
Management Fees/ IT expenses	559.04	-	-	-	-	-
	654.98	702.36	6.86	-	-	-
Impairment in value of investments	-	96.82	-	-	-	-
Provision for Doubtful Debts	-	195.21	-	-	-	-
Allowance for bad and doubtful loans	-	1,866.64	-	-	-	-
Income						
Rent and other services	-	87.70	-	-	-	-
Interest	-	1,143.42	2.62	-	-	-
Dividend	-	3,000.00	-	-	-	-
Misc. Income	0.56	2.16	-	-	-	-
	0.56	4,233.28	2.62	-	-	-
Other Receipts						
Other Reimbursements	-	89.58	-	-	-	-
Finance						
Inter-corporate deposits given	-	2,083.76	2,000.00	-	-	-
Inter-corporate deposits taken	1,500.00	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	2,000.00	-	-	-
Repayment of Inter-Corporate Deposits taken	1,500.00	500.00	-	-	-	-
Adjustment of ICD against Dividend income (Refer Note:-1)		2,000.00				
Outstanding						
Trade Payables	58.19	2,797.98	-	-	-	-
Trade Receivables	99.83	3,099.42	81.40	-	-	-
Inter-corporate deposits receivable	-	12,322.26	-	-	-	-
Interest Accrued	-	5,857.10	2.62	-	-	-
Other Deposits Payable	-	7.68	-	-	-	-
Advances	-	5,789.41	-	-	-	-
Remuneration						
Paid / Payable	-	-	-	-	-	338.89
Guarantees						
Outstanding	-	19,222.57	-	-	-	-

Terms and conditions:-
1.) All outstandings balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
2.) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
3.) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

(III) The above Transaction includes :

Nature of Transactions	A	A	B	B	B	B	B	B	B	B	B	B	B	C
	Forbes & Company Ltd. - Holding Company	Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	Aquaignis Technologies Pvt. Ltd.	EFL Mauritius Ltd	EURO FORBES LTD	Forbes Enviro Solutions Ltd	Forbes Facility Services Pvt Ltd.	Forbes Lux FZCO	Forbes Lux International AG	Lux International AG	LIAG Trading & Investment Ltd.	Forbes Aquatech Limited	Infinite Water Solutions Private Ltd	Afcons Infrastructure Ltd.
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases														
Goods and Materials	-	-	545.16	-	-	646.51	573.85	-	-	-	-	1,648.12	4,451.28	-
Job work charges	-	-	30.06	-	-	-	-	-	-	-	-	81.38	-	-
Services Received	-	-	-	-	-	11.61	-	-	-	-	-	-	-	-
	-	**-**	**575.22**	**-**	**-**	**658.12**	**573.85**	**-**	**-**	**-**	**-**	**1,729.50**	**4,451.28**	**-**
Sales														
Goods and Materials	0.54	54.08	40.70	-	-	46.71	124.01	635.29	-	598.99	-	198.76	0.91	31.53
Services Rendered	0.18	4.05	-	-	-	1.46	2.53	-	-	-	-	-	0.21	4.90
	0.72	**58.13**	**40.70**	**-**	**-**	**48.17**	**126.54**	**635.29**	**-**	**598.99**	**-**	**198.76**	**1.12**	**36.43**
Expenses														
Repairs & Other Expenses	-	-	-	-	-	-	478.37	-	-	-	-	0.82	-	-
Interest on ICD Taken	-	95.94	-	-	-	-	-	-	-	-	-	-	222.83	-
Recovery of Expenses	-	-	-	-	-	0.34	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	559.04	-	-	-	-	-	-	-	-	-	-	-	-
	-	**654.98**	**-**	**-**	**-**	**0.34**	**478.37**	**-**	**-**	**-**	**-**	**0.82**	**222.83**	**-**
Impairment in value of investments									96.82					
Provision for Doubtful Debts										195.21				
Allowance for bad and doubtful loans									1,866.64					
Income														
Rent and other services	-	-	33.80	-	-	11.20	6.60	-	-	-	-	0.18	35.92	-
Interest	-	-	-	-	-	17.10	-	-	1,126.32	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	3,000.00	-
Miscellaneous Income	-	0.56	-	-	-	-	0.25	-	-	-	-	1.91	-	-
	-	**0.56**	**33.80**	**-**	**-**	**28.30**	**6.85**	**-**	**1,126.32**	**-**	**-**	**2.09**	**3,035.92**	**-**
Other Receipts														
Other Reimbursements	-	-	4.18	-	-	-	41.33	-	-	-	-	24.80	19.27	-
Finance														
Inter-corporate deposits given	-	-	-	-	-	-	-	-	2,083.76	-	-	-	-	-
Inter-corporate deposits taken	-	1,500.00	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	1,500.00	-	-	-	-	-	-	-	-	-	-	500.00	-
Adjustment of ICD against Dividend income (Refer Note:-1)													2,000.00	
Outstanding														
Trade Payables	-	58.19	117.57	-	-	83.38	290.14	10.29	-	-	-	1,251.92	1,044.68	-
Trade Receivables	-	99.83	-	-	-	-	-	394.10	-	2,705.32	-	-	-	3.92
Inter-corporate deposits receivable	-	-	-	-	-	150.00	-	-	12,172.26	-	-	-	-	-
Interest Accrued	-	-	-	-	-	3.90	-	-	5,853.20	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	0.10	-	-	-	-	-	0.10	7.48	-
Advances	-	-	-	272.80	-	-	-	-	5,516.61	-	-	-	-	-
Remuneration														
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Guarantees														
Outstanding	-	-	-	-	-	-	-	-	5,052.86	14,169.71	-	-	-	-

Note:-1 'During the current year, the Infinite Water Solutions Limited (IWSPL) has declared an interim dividend on 31 March 2021 amounting to ₹ 3000.00/-lakhs. This interim dividend payable by IWSPL has been adjusted against the payable unsecured Loan amounting to ₹2000.00/- lakhs (also refer note 21);- Accrued Interest on unsecured Loan amounting to ₹ 206.56/- lakhs and outstanding Trade payable amounting to ₹ 793.44/- lakhs.

The above Transaction includes :

Nature of Transactions	C Forbes Technosys Ltd	C Jaykali Developers Pvt. Ltd	C Relationship Properties Pvt. Ltd.	C SD Corporation Private Limited	C Shapoorji Pallonji Engg & Construction Pvt Ltd	C Shappoorji Infrastructure Pvt Ltd	C Sterling & Wilson Pvt. Ltd.	C Transtonnelstroy Afcons Joint Venture	C Eureka Forbes Institute of Environment (Trust)	C Gokak Textiles	F Managing Director Mr Marzin R. Shroff
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Purchases											
Goods and Materials	-	-	-	-	-	-	-	-	-	-	-
Job work charges	-	-	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	-	-	-	-	-	-
	-		**-**	**-**	**-**		**-**	**-**	**-**	**-**	
Sales											
Goods and Materials	-	0.44	2.76	1.09	0.94	-	4.52	0.52	61.28	-	-
Services Rendered	0.04	0.02	0.83	3.77	-	0.05	0.02	0.13	49.79	-	-
	0.04	**0.46**	**3.59**	**4.86**	**0.94**	**0.05**	**4.54**	**0.65**	**111.07**	**-**	
Expenses											
Repairs & Other Expenses	-	-	-	-	-	-	-	-	-	6.86	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	-	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6.86**	**-**
Impairment in value of investments											
Provision for Doubtful Debts											
Allowance for bad and doubtful loans											
Income											
Rent and other services	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	2.62	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-	-	-
	-		**-**	**-**	**-**	**-**	**2.62**	**-**	**-**	**-**	
Other Receipts											
Other Reimbursements	-	-	-	-	-	-	-	-	-	-	-
Finance											
Inter-corporate deposits given	-	-	-	-	-	-	2,000.00	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	2,000.00	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-	-	-
Adjustment of ICD against Dividend income (Refer Note:-1)											
Outstanding											
Trade Payables	-	-	-	-	-	-	-	-	-	-	-
Trade Receivables	1.52	-	6.50	0.13	-	-	5.80	-	63.53	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	2.62	-	-	-	-
Other Deposits Payable	-	-	-	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-	-	-	-
Remuneration											
Paid / Payable	-	-	-	-	-	-	-	-	-	-	-
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-	-	-	12.80
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-	-	-	300.09
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	13.00
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-	-	-	13.00
Guarantees											
Outstanding	-	-	-	-	-	-	-	-	-	-	-

Note:-1 'During the current year, the Inf
adjusted against the payable unsecurec
793.44/- lakhs.

Notes to the financial statements for the year ended March 31, 2021 - continued

30 (VII) Additional information to the financial statements

Annexure 'A'

A	**Enterprises having more than one half of Voting Powers-**		
	Forbes & Company Limited - Holding Company		
	Shapoorji Pallonji and Company Private Limited - Ultimate Holding Company		
			Holding in % as at
B	**Enterprises that are controlled - (Subsidiary Company)-**	**Country**	**31-Mar-20**
1	Aquaignis Technologies Pvt. Limited	India	100
2	EFL Mauritius Limited	Mauritius	100
3	Euro Forbes Financials Services Limited	India	100
4	Euro Forbes Limited	Dubai	100
5	Forbes Enviro Solutions Limited	India	100
6	Forbes Facility Services Pvt Limited	India	100
7	Forbes Lux FZCO	Dubai	100
8	Forbes Lux International AG	Switzerland	100
9	LIAG Trading and Investments Limited	Dubai	100
10	Lux (Deutschland) GmbH	Germany	100
11	Lux Hungária Kereskedelmi Kft.	Hungary	100
12	Lux International AG	Switzerland	100
13	Lux Italia srl in Liquidation	Italy	100
14	Lux Norge A/S	Norway	100
15	Lux Oesterreich GmbH	Austria	100
16	Lux Schweiz AG	Switzerland	100
17	Lux International Services & Logistics GmbH (formerly: Lux Service GmbH)	Germany	100
18	Lux Professional SA (RENAMED. - Formerly: Lux Aqua Paraguay SA)	Paraguay	100
19	Lux del Paraguay S.A. (considered as Subsidiary by virtue of operational control)	Paraguay	80
20	Lux Welity Polska sp. z o.o. (w.e.f 29th July 2019)	Poland	100
C.	Enterprises under Common Control -(where there are transactions)		
1	Afcons Infrastructure Limited	India	
2	Forbes Technosys Limited	India	
3	Jaykali Developers Pvt. Limited	India	
4	Relationship Properties Pvt. Limited	India	
5	Samalpatti Power Co Pvt. Limited	India	
6	SD Corporation Private Limited	India	
7	Shapoorji Pallonji Engg & Construction Pvt Limited	India	
8	Shappoorji Infrastructure Pvt Limited	India	
9	Shapoorji Pallonji Oil & Gas co Pvt Limited	India	
10	Sterling & Wilson Pvt. Limited	India	
11	Transtonnelstroy Afcons Joint Venture	India	
12	Eureka Forbes Institute of Environment (Trust)	India	
13	Forvol International Services Limited	India	
14	Campbell Properties and Hospitality Services Limited	India	
15	Shapoorji Pallonji Finance	India	
D	Associate Company		
	Euro P2P Direct (Thailand) Co. Limited	Thailand	
E	Joint Venture		
1	AMC cookware Limited	South Africa	50
2	Forbes Aquatech Limited	India	50
3	Forbes Concept Hospitality Services Private Limited	India	50
4	Infinite Water Solutions Private Limited	India	50

F Key Management Personnel

Mr. Shapoor P Mistry -Non - Executive Chairman

Mr.Marzin R. Shroff - Managing Director & CEO

Mr.Pallon Shapoor Mistry - Non - Executive Director

Mr.Mahesh Chelaram Tahilyani - Non - Executive Director

30 (VII) **Notes to the financial statements for the year ended March 31, 2021 - continued** Annexure 'B'

(II) Transactions with Related Parties for the year ended 31st March 2020

Nature of Transactions	Related Party Referred to in A above	Referred to in B above	Referred to in C above	Referred to in D above	Referred to in E above	Referred to in F above
Purchases						
Goods and Materials	1.50	1,903.07	-	-	7,440.98	-
Services	-	92.95	-	-	54.49	-
	1.50	1,996.02	-	-	7,495.47	-
Sales						
Goods and Materials	150.40	2,667.25	203.90	-	287.09	-
Services Rendered	3.45	2.48	32.14	-	-	-
	153.85	2,669.73	236.04	-	287.09	-
Expenses						
Rent and other services	-	-	-	-	-	-
Repairs & Other Expenses	-	895.95	4.19	-	1.55	-
Finance Charges	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	67.04	-
Bad Debts/Advances written off	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-
Management Fees/ IT expenses	385.58	-	-	-	-	-
CSR contribution	-	-	25.00			
	385.58	895.95	29.19	-	68.59	-
Impairment in value of investments	-	27,269.15	-	-	-	-
Allowance for bad and doubtful loans	-	12,998.70	-	-	-	-
Income						
Rent and other services	-	49.37	-	-	36.09	-
Interest	-	866.68	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Misc. Income	2.71	1.41	0.04	-	4.85	-
	2.71	917.46	0.04	-	40.94	-
Other Receipts						
Other Reimbursements	-	44.90	-	-	48.91	-
Finance						
Inter-corporate deposits given	-	3,453.02	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	3,000.00	-
Deposit given	-	-	-	-	-	-
Deposit received	-	-	-	-	0.10	-
Interest Accrued - Received	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	200.00	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	500.00	-
Repayment of Deposit given	-	-	-	-	-	-
Repayment of Deposit received	-	-	-	-	-	-
Investment in shares	-	200.00	-	-	-	-
Issue of Share Capital	-					
Sale of investment	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Outstanding						
Trade Payables	146.05	401.03	0.12	-	3,884.46	-
Interest Payable	-	-	-	-	23.76	-
Advances Received	-	-	-	-	-	-
Trade Receivables	141.78	2,803.41	78.24	-	-	-
Inter-corporate deposits receivable	-	11,134.57	-	-	-	-
Inter-corporate deposits payable	-	-	-		2,523.76	
Interest Accrued	-	4,726.88	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-
Other Deposits Payable	-	0.10	-	-	7.58	-
Advances	-	272.80	0.04	-	-	-
Remuneration						
Paid / Payable	-	-	-	-	-	310.89
Guarantees						
Given	-	-	-	-	-	-
Outstanding	-	18,722.65	-	-	-	-

Terms and conditions:-
1.) All outstandings balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
2.) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
3.) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

III) The above Transaction includes :

Nature of Transactions	A Forbes & Company Ltd. - Holding Company	A Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company	B Aquaignis Technologies Pvt. Ltd.	B EFL Mauritius Ltd	B EURO FORBES LTD	B Forbes Enviro Solutions Ltd	B Forbes Facility Services Pvt Ltd.	B Forbes Lux FZCO
	₹	₹	₹	₹	₹	₹	₹	₹
Purchases								
Goods and Materials	1.50	-	620.91	-	-	1,237.79	44.37	-
Job work charges	-	-	34.60	-	-	-	-	-
Services Received	-	-	-	-	-	58.35	-	-
	1.50	**-**	**655.51**	**-**	**-**	**1,296.14**	**44.37**	**-**
Sales								
Goods and Materials	3.20	147.20	46.68	-	-	129.86	281.73	799.35
Services Rendered	0.08	3.37	-	-	-	2.43	0.05	-
	3.28	**150.57**	**46.68**	**-**	**-**	**132.29**	**281.78**	**799.35**
Expenses								
Rent	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	22.96	872.98	0.01
Finance charges	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	385.58	-	-	-	-	-	-
CSR contribution	-	-	-	-	-	-	-	-
	-	**385.58**	**-**	**-**	**-**	**22.96**	**872.98**	**0.01**
Impairment in value of investments	-	-	-	-	-	-	-	-
Allowance for bad and doubtful loans	-	-	-	-	-	-	-	-
Income								
Rent and other services	-	-	31.19	-	-	9.18	9.00	-
Interest	-	-	-	-	-	26.58	-	-
Bad Debts/Advances written back	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Miscellaneous Income	0.04	2.67	-	-	-	0.11	1.30	-
	0.04	**2.67**	**31.19**	**-**	**-**	**35.87**	**10.30**	**-**
Other Receipts								
Other Reimbursements	-	-	4.48	-	-	0.46	39.96	-
Finance								
Inter-corporate deposits given	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	200.00	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	200.00	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Outstanding								
Trade Payables	1.77	144.28	145.52	-	-	53.68	191.33	10.50
Interest Payable	-	-	-	-	-	-	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-
Trade Receivables	1.37	140.41	0.21	-	-	-	-	231.38
Inter-corporate deposits receivable	-	-	-	-	-	150.00	-	-
Inter-corporate deposits payable	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	0.10	-	-
Advances	-	-	-	272.80	-	-	-	-
Remuneration								
Paid / Payable								
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-
Guarantees								
Given	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-

Nature of Transactions	B Forbes Lux International AG	B Lux International AG	B LIAG Trading & Investment Ltd.	C Afcons Infrastructure Ltd.	C Forbes Technosys Ltd	C Jaykali Developers Pvt. Ltd	C Relationship Properties Pvt. Ltd.	C Samalpatti Power Co Pvt. Ltd.
	₹	₹	₹	₹	₹	₹	₹	₹
Purchases								
Goods and Materials	-	-	-	-	-	-	-	-
Job work charges	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**		**-**	**-**
Sales								
Goods and Materials	-	1,190.77	218.86	13.98	-	3.19	9.09	-
Services Rendered	-	-	-	1.54	0.16	0.02	-	1.16
	-	**1,190.77**	**218.86**	**15.52**	**0.16**	**3.21**	**9.09**	**1.16**
Expenses								
Rent	-	-	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	-	-	-	-	-	-	-
CSR contribution	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment in value of investments	27,269.15	-	-	-	-	-	-	-
Allowance for bad and doubtful loans	12,998.70	-	-	-	-	-	-	-
Income								
Rent and other services	-	-	-	-	-	-	-	-
Interest	840.10	-	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	0.04	-	-	-
	840.10	**-**	**-**	**-**	**0.04**		**-**	**-**
Other Receipts								
Other Reimbursements	-	-	-	-	-	-	-	-
Finance								
Inter-corporate deposits given	3,453.02	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Outstanding								
Trade Payables	-	-	-	-	-	-	-	-
Interest Payable	-	-	-	-	-	-	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-
Trade Receivables	-	1,485.17	1,086.65	2.43	1.47	0.06	13.78	-
Inter-corporate deposits receivable	10,984.57	-	-	-	-	-	-	-
Inter-corporate deposits payable	-	-	-	-	-	-	-	-
Interest Accrued	4,726.88	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	-	-	-
Advances	-	-	-	-	-	-	-	-
Remuneration								
Paid / Payable								
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-
Guarantees								
Given	-	-	-	-	-	-	-	-
Outstanding	5,157.29	13,565.36	-	-	-	-	-	-

Nature of Transactions	C SD Corporation Private Limited	C Shapoorji Pallonji Engg & Construction Pvt Ltd	C Shappoorji Infrastructure Pvt Ltd	C Shapoorji Pallonji Oil & Gas co Pvt Ltd	C Sterling & Wilson Pvt. Ltd.	C Transtonnelstroy Afcons Joint Venture	C Eureka Forbes Institute of Environment (Trust)	C Forvol International Services Ltd	Campbell Properties and Hospitality Services Ltd.
	₹			₹	₹	₹	₹		
Purchases									
Goods and Materials	-	-	-	-	-	-	-	-	-
Job work charges	-	-	-	-	-	-	-	-	-
Services Received	-	-	-	-	-	-	-	-	-
	-	**-**		**-**	**-**	**-**	**-**	**-**	**-**
Sales									
Goods and Materials	9.64	0.84	0.04	-	4.99	0.93	161.11	-	-
Services Rendered	5.09	-	-	0.12	0.24	0.03	23.78	-	-
	14.73	**0.84**	**0.04**	**0.12**	**5.23**	**0.96**	**184.89**	**-**	**-**
Expenses									
Rent	-	-	-	-	-	-	-	-	-
Repairs & Other Expenses	0.52	-	-	-	-	-	-	3.55	0.12
Finance charges	-	-	-	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written off	-	-	-	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-	-	-	-
Management Fees/ IT expenses	-	-	-	-	-	-	-	-	-
CSR contribution	-	-	-	-	-	-	25.00	-	-
	0.52	**-**	**-**	**-**	**-**	**-**	**25.00**	**3.55**	**0.12**
Impairment in value of investments	-	-	-	-	-	-	-	-	-
Allowance for bad and doubtful loans	-	-	-	-	-	-	-	-	-
Income									
Rent and other services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-	-	-
Miscellaneous Income	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other Receipts									
Other Reimbursements	-	-	-	-	-	-	-	-	-
Finance									
Inter-corporate deposits given	-	-	-	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	-	-	-	-	-
Deposit given	-	-	-	-	-	-	-	-	-
Deposit received	-	-	-	-	-	-	-	-	-
Interest Accrued - Received	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	-	-	-	-	-
Repayment of Deposit given	-	-	-	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	-
Outstanding									
Trade Payables	-	-	-	-	-	-	-	-	0.12
Interest Payable	-	-	-	-	-	-	-	-	-
Advances Received/ Deposits received	-	-	-	-	-	-	-	-	-
Trade Receivables	-	0.07	-	-	5.68	-	54.75	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-	-	-	-
Inter-corporate deposits payable	-	-	-	-	-	-	-	-	-
Interest Accrued	-	-	-	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-	-	-	-
Other Deposits Payable	-	-	-	-	-	-	-	-	-
Advances	-	-	-	0.04	-	-	-	-	-
Remuneration									
Paid / Payable									
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	-	-	-	-
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	-	-	-	-
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	-	-	-	-
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	-	-	-	-
Guarantees									
Given	-	-	-	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-	-	-	-

The above Transaction includes :

Nature of Transactions	A Forbes & Company Ltd. - Holding Company ₹	A Shapoorji Pallonji and Company Private Ltd - Ultimate Holding Company ₹	C Shapoorji Pallonji Finance	E Forbes Aquatech Limited ₹	E Infinite Water Solutions Private Ltd ₹	F Remuneration
Purchases						
Goods and Materials	1.50	-	-	2,774.81	4,666.17	-
Job work charges	-	-	-	54.49	-	-
Services Received	-	-	-	-	-	-
	1.50	**-**	**-**	**2,829.30**	**4,666.17**	
Sales						
Goods and Materials	3.20	147.20	0.09	284.73	2.36	-
Services Rendered	0.08	3.37	-	-	-	-
	3.28	**150.57**	**0.09**	**284.73**	**2.36**	
Expenses						
Rent	-	-	-	-	-	-
Repairs & Other Expenses	-	-	-	1.55	-	-
Finance charges	-	-	-	-	-	-
Interest on ICD Taken	-	-	-	-	67.04	-
Bad Debts/Advances written off	-	-	-	-	-	-
Recovery of Expenses	-	-	-	-	-	-
Management Fees/ IT expenses	-	385.58	-	-	-	-
CSR contribution	-	-	-	-	-	-
	-	**385.58**	**-**	**1.55**	**67.04**	**-**
Impairment in value of investments	-	-	-	-	-	-
Allowance for bad and doubtful loans	-	-	-	-	-	-
Income						
Rent and other services	-	-	-	0.18	35.91	-
Interest	-	-	-	-	-	-
Bad Debts/Advances written back	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
Miscellaneous Income	0.04	2.67	-	4.85	-	-
	0.04	**2.67**	**-**	**5.03**	**35.91**	
Other Receipts						
Other Reimbursements	-	-	-	23.98	24.93	-
Finance						
Inter-corporate deposits given	-	-	-	-	-	-
Inter-corporate deposits taken	-	-	-	-	3,000.00	-
Deposit given	-	-	-	-	-	-
Deposit received	-	-	-	0.10	-	-
Interest Accrued - Received	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits Given	-	-	-	-	-	-
Repayment of Inter-Corporate Deposits taken	-	-	-	-	500.00	-
Repayment of Deposit given	-	-	-	-	-	-
Refund of Deposit received	-	-	-	-	-	-
Investment in shares	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-
Sale of Investment	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-
Outstanding						
Trade Payables	1.77	144.28	-	1,703.80	2,180.66	-
Interest Payable	-	-	-	-	23.76	-
Advances Received/ Deposits received	-	-	-	-	-	-
Trade Receivables	1.37	140.41	-	-	-	-
Inter-corporate deposits receivable	-	-	-	-	-	-
Inter-corporate deposits payable	-	-	-	-	2,523.76	-
Interest Accrued	-	-	-	-	-	-
Other Deposits Receivable	-	-	-	-	-	-
Other Deposits Payable	-	-	-	0.10	7.48	-
Advances	-	-	-	-	-	-
Remuneration						
Paid / Payable						
Mr. Shapoor P Mistry (Non Executive Chairman)	-	-	-	-	-	3.60
Mr.Marzin R. Shroff (Managing Director & CEO)	-	-	-	-	-	300.09
Mr.Pallon Shapoor Mistry (Non Executive Director)	-	-	-	-	-	3.60
Mr.Mahesh Chelaram Tahilyani (Non Executive Director)	-	-	-	-	-	3.60
Guarantees						
Given	-	-	-	-	-	-
Outstanding	-	-	-	-	-	-

XIV Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:
The Company adopted Ind AS 116 “Leases” and applied the standard to all lease contracts existing on April 1, 2019 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company’s incremental borrowing rate at the date of initial application.

The following is the summary of practical expedients elected on initial application:
1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as on 31st March 2021 is 10.25%

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Current lease liabilities	737.02	1,002.80
Non-current lease liabilities	423.96	1,051.32
Total	**1,160.98**	**2,054.12**

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Balance at the beginning	2,054.12	2,084.31
Additions	172.67	1,071.08
Finance cost accrued during the period	154.58	237.17
Deletions	(28.89)	(242.99)
Gain/(Loss) on Modification/Disposal of Right of use assets	(14.62)	-
Payment of lease liabilities	(1,176.88)	(1,095.45)
Balance at the end	**1,160.98**	**2,054.12**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis:

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Less than one year	849.23	1,151.95
One to five years	483.38	1,137.80
More than five years	23.99	-
Total	**1,356.60**	**2,289.75**

Rental expense recorded for short-term leases was ₹. 969.25 Lakhs for the year ended March 31,2021. (Previous Year: ₹.1,127.80 Lakhs)

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Eureka Forbes Limited’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no changes are required to lease period relating to the existing lease contracts

Amounts recognised in profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	
	₹ in Lakhs	₹ in Lakhs	
Depreciation expense on right-of-use assets	1042.98	980.61	(As per Note 27 of Financial Statement)
Interest expense on lease liabilities	154.58	237.17	(As per Note 26 of Financial Statement)
Expense relating to short-term leases	969.25	1,127.80	(As per Note 28 of Financial Statement)

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

Annexure 'D'

XVI **Employee benefit plans**

(a) Provident Fund

The details of Eureka Forbes Limited Employees' Provident Fund and planed assets position as at 31.03.2021 is given below

Particulars	Valuation as at	
	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Present value of benefit obligation at period end	14,294.08	12,718.88
Planned Assets at the period end	16,707.53	14,704.27
Discounting Rate	6.82%	6.82%
Expected Guaranteed interest rate	8.50%	8.50%
Average Expected Future Service	14 years	20 years
Average Term To Maturity Of Assets	4.84 Years	4.83 Years

(b) Gratuity Fund

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	As at March 31, 2021	As at March 31, 2020
Discount rate(s)	6.82%	6.82%
Expected rate(s) of salary increase	4.00%	3.50%
Mortality rates	Indian Assured lives Mortality (2006-08)	Indian Assured lives Mortality (2006-08)

Amounts recognised in statement of profit and loss/ other comprehensive income in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Service cost:		
Current service cost	161.13	137.00
Past service cost and (gain)/loss from settlements	-	-
Expected Returns on plan assets	-	-
Net interest expense	13.13	12.27
Components of defined benefit costs recognised in profit or loss	174.26	149.27
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	53.59	(83.23)
Actuarial (gains) / losses arising from changes in demographic assumptions	28.30	-
Actuarial (gains) / losses arising from changes in financial assumptions	70.49	134.28
Actuarial (gains) / losses arising from experience adjustments	(31.34)	52.19
Others	-	-
Adjustments for restrictions on the defined benefit asset	-	-
Components of defined benefit costs recognised in other comprehensive income	**121.04**	**103.24**
Total	295.30	252.51

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

Annexure 'D'

XVI **Employee benefit plans**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Present value of funded defined benefit obligation	(2,017.71)	(1,861.84)
Fair value of plan assets	1,762.41	1,669.34
Funded status	(255.30)	(192.50)
Restrictions on asset recognised	-	-
Others	-	-
Net liability arising from defined benefit obligation	(255.30)	(192.50)

Movements in the present value of the defined benefit obligation are as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening defined benefit obligation	1,861.84	1,592.82
Current service cost	161.13	137.00
Interest cost	126.98	123.92
Remeasurement (gains)/losses:	-	-
Actuarial gains and losses arising from changes in demographic assumptions	28.30	-
Actuarial gains and losses arising from changes in financial assumptions	70.49	134.28
Actuarial gains and losses arising from experience adjustments	(31.34)	52.19
Liabilities Transferred In/Acquisition	-	-
Benefits paid	(199.68)	(178.37)
Closing defined benefit obligation	**2,017.72**	**1,861.84**

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening fair value of plan assets	1,669.35	1,435.17
Interest income	113.85	111.66
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	(53.59)	83.23
Contributions from the employer	232.50	217.66
Assets Transferred In/Acquisition	-	-
Benefits paid	(199.68)	(178.37)
Other	-	-
Closing fair value of plan assets	1,762.43	1,669.35

The fair value of the plan assets at the end of the reporting period for each category, are as follows.

Particulars	Fair Value of plan asset as at	
	As at March 31, 2021	As at March 31, 2020
	₹ in lakhs	₹ in lakhs
Government Of Indian Assets	930.74	590.38
State Government Securities	190.43	189.21
Special Deposit Scheme	41.03	41.03
Debt Instrument	441.97	179.58
Corporate Bond	115.06	355.99
Others	0.01	137.96
Mutual Funds	43.19	175.20
Total	**1,762.43**	**1,669.35**

Notes to the financial statements for the year ended March 31, 2021 - continued

30 Additional information to the financial statements

Annexure 'D'

XVI **Employee benefit plans**

Maturity Analysis of the Benefits Payments from the Fund

Particulars	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Projected Benefits payable in future years from the date of reporting		
1st Following Year	265.23	182.51
2nd Following Year	125.87	72.73
3rd Following Year	152.67	152.74
4th Following Year	183.42	131.23
5th Following Year	292.42	169.43
Sum of years 6 to 10	794.17	899.06
Sum of years 11 and above	1,920.61	2,147.92

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate is 1% higher (lower), the defined benefit obligation would decrease by ₹.132.29 Lakhs (increase by ₹.151.89 Lakhs) (as at March 31, 2020 if the discount rate is 1% higher (Lower) : decrease by ₹. 138.49/- lakhs (increase by ₹.161.56 lakhs))

If the expected salary growth increases (decreases) by 1%, the defined benefit obligation would increase by ₹.154.72 lakhs (decrease by ₹.136.87 lakhs) (as at March 31, 2020 if the discount rate is 1% increase by ₹.165.44 lakhs (decrease by ₹.144.94 lakhs))

If Employee Turnover increases (decreases) by 1%, the defined benefit obligation would increase by ₹.32.55 lakhs (decrease by ₹.36.78 lakhs) (as at March 31, 2020 if the discount rate is 1%: increase by ₹.44.91 lakhs (decrease by ₹.50.94 lakhs))

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occuring at the end of the reporting period, while holding all other assumptions constant

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to the financial statements for the year ended March 31, 2021 - continued

31 Financial instruments

Capital management

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents) divided by total 'equity' (as shown in the balance sheet).

The Company strategy is to maintain a gearing ratio within 75%.

The gearing ratios were as follows:

	As at March 31, 2021 ₹ in Lakhs	As at March 31, 2020 ₹ in Lakhs
Borrowings	28,478.45	30,289.09
Less: Cash and cash equivalents	1,799.53	611.83
Adjusted net debt	26,678.92	29,677.26
Total equity	(14,148.10)	(19,296.79)
Adjusted net debt to equity ratio	-188.57%	-153.79%

During the current year and prior years the Company has accounted the impairment of investment in three of its subsidiary companies totalling to ₹. 76,345.15 Lakhs (Current year ₹. 1,963.46 lakhs and prior years ₹. 74,381.69 Lakhs) Due to this net debt to equity ratio has changed. Over a period of next 3-5 years company is planning to get back to the postive networth.

Notes to the financial statements for the year ended March 31, 2021 - continued

32. **Earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Profit/(Loss) for the year attributable to equity share holders	5,239.27	(39,840.88)
Face value per equity shares	10	10
Weighted average number of equity shares used in the calculation of basic and diluted earnings per share (Nos.)	37,78,000	37,78,000
Basic and diluted earnings per share (₹)	138.68	(1,054.55)

Basic Earnings per share

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

Particulars	Year ended March 31, 2021 ₹ in Lakhs	Year ended March 31, 2020 ₹ in Lakhs
Profit for the year attributable to owners of the Company	5,239.27	(39,840.88)
Weighted average number of equity shares for the purposes of basic earnings per share (Quantity in numbers)	37,78,000	37,78,000

Notes to the financial statements for the year ended March 31, 2021 - continued

33 **Financial instruments – Fair values**

Accounting classification and fair values

	March 31, 2021			March 31, 2020		
	FVTPL*	FVTOCI**	Amortised Cost	FVTPL*	FVTOCI**	Amortised Cost
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Financial assets						
Cash and Bank Balances	-	-	2,282.52	-	-	695.00
Long-term loans and advances***	-	-	12,172.26	-	-	10,984.57
Short-term loans and advances	-	-	163.38	-	-	167.03
Trade and other receivables	-	-	18,813.72	-	-	23,266.21
Current Investments	8,619.40	-	-	3,701.19	-	-
Non Current Investments #	-	0.71	4,673.19	-	12.86	2,549.04
Other Current financial Asset	-	-	172.39	-	-	218.61
Other Non Current financial Asset	-	-	13,233.64	-	-	6,660.66
Total Financial Asset	**8,619.40**	**0.71**	**51,511.10**	**3,701.19**	**12.86**	**44,541.12**
Financial liabilities						
Trade and other payables	-	-	25,203.17	-	-	28,680.92
Other Current financial liabilities	-	-	11,440.29		-	12,708.07
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	21,083.05	-	-	18,467.48
Non Current Borrowings	-	-	7,395.40	-	-	9,849.85
Total Financial Liabilities	**-**	**-**	**65,121.91**	**-**	**-**	**69,706.32**

*Mandatorily measured at fair value in accordance with Ind AS 109

** Investments in equity instruments designated as such upon initial recognition in accordance with paragraph 5.7.5 of Ind AS 109.
These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of IND AS 109, the company has chosen to designate these investments in equity instruments at FVTOCI as it is believed that this provides a more meaningful presentation for medium or long term strategic investment than reflecting changes in fair value immediately in profit and loss Account.

*** Long Term Loans and advances is carried at net of impairment.

Includes investment in equity instruments of ₹.4,673.19/- Lakhs(previous year ₹ 2,549.04/- lakhs) carried at cost less impairment.

Notes to the financial statements for the year ended March 31, 2021 - continued

33 Financial instruments – Fair values

Fair value Hierarchy

This section explains the judgement and the estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2021 (Refer note Below)	Level 1 ₹ in Lakhs	Level 2 ₹ in Lakhs	Level 3 ₹ in Lakhs	Total ₹ in Lakhs
Financial assets				
Financial investment at FVTPL				
Listed Equity Investment	8,619.40	-	-	8,619.40
Unquoted Investments	-	-	-	-
Financial investment at FVOCI				
Quoted Investments	-	-	-	-
Unquoted Investments	-	-	0.71	0.71
Total Financial Asset	**8,619.40**	**-**	**0.71**	**8,620.11**
Financial Liabilities				
Derivatives accounted at FVTPL	-	-	-	-
Total Financial Liabilities	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements At March 2020 (Refer note Below)	Level 1 ₹ in Lakhs	Level 2 ₹ in Lakhs	Level 3 ₹ in Lakhs	Total ₹ in Lakhs
Financial assets				
Financial investment at FVTPL				
Listed Equity Investment	3,701.19	-	-	3,701.19
Unquoted Investments	-	-	-	-
Financial investment at FVOCI				-
Quoted Investments	-	-	-	-
Unquoted Investments	-	-	12.86	12.86
Total Financial Asset	**3,701.19**	**-**	**12.86**	**3,714.05**
Financial Liabilities				
Derivatives accounted at FVTPL	-	-	-	-
Total Financial Liabilities	-	-	-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

33 **Financial instruments – Fair values**

Reconciliation of level 3 fair value measurement of financial Instruments

Particulars	Year End March 31, 2021	Year End March 31, 2020
	₹ in Lakhs	₹ in Lakhs
Opening Value of Fair Value	12.86	219.21
Fair value gain/(loss) recognised in statement of profit or Loss	-	-
Fair value gain/(loss) recognised in Other Comprehensive income	-	(206.35)
Purchases made during the year	-	-
Sales made during the year	(12.15)	-
Closing balance of fair value	0.71	12.86

Description of significant unobservable inputs to valuations for level 3 items

Significant unobservable Inputs	Relationship of unobservable Inputs to fair value
Long term revenue growth rates taking into accounts managements experience and knowledge of market conditions of the specific industries	A slight increase in the long term revenue growth rates used in isolation would result in increase in fair value
Long term pre tax operating margin taking into account managements experience and knowledge if market conditions of the specific industries	A significant increase in the long term pre tax operating margin used in isolation would result in increase in fair value
Weighted average cost of capital (WACC), determined using a Capital Asset pricing Model	A slight increase in the WACC used in isolation would result in decrease in Fair value

Valuation techniques and significant unobservable inputs

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- All of the resulting fair value estimates are included in level 1 except for unlisted equity securities where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- The carrying amount of Trade receivables, Trade payables, cash and Cash Equivalents are considered to be the same as their Fair Values, due to their short term in nature.
- The Fair value of financial Instrument that are not traded in an active market is determined using valuation technique. The company uses its Judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Notes to the financial statements for the year ended March 31, 2021 - continued

34 Financial instruments – Financial risk management

The Company's activities expose it to market risk , liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company , such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposure .

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk in the financial statements

Risk	Exposure Arising from	Measurement	Management
Credit Risk	Cash and Cash Equivalents, trade receivables, financial assets measured at amortised cost and fair value through profit and loss.	Aging analysis, Credit Rating	Diversification of bank deposits, credit limits and letter of credit
Liquidity Risk	Borrowing and other liabilities	Rolling cash flow Forecast	Availability of committed credit lines and borrowing facilities
Market Risk- Foreign currency	Future commercial Transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow Forecasting Sensitivity analysis	Forward foreign currency Contracts Foreign currency option
Market Risk- Interest rate	Long-term borrowings at variable rate	Sensitivity analysis	Interest rate Swaps

The Company's risk management is carried out by a Finance committee and Treasury team under policies approved by the board of directors. Treasury team identifies, evaluates and hedges financial risks in close co-operation with subject matter experts . The Board of directors periodically monitors the risk assessment.

34 Financial instruments – Financial risk management

(a) Credit risk

Credit risk arises from cash and cash equivalents , investments and deposits with banks, as well as credit exposures to customers including outstanding receivables.

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

Particulars	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Investments	8,620.11	3,714.05
Trade receivables	18,813.72	23,266.21
Cash and cash equivalents	1,799.53	611.83
Other bank balances	482.99	83.17
Loans	12,335.64	11,151.60
Other financial assets	13,406.03	6,879.27

Trade Receivables

The maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
India	15,385.76	20,315.44
Other regions	3,427.96	2,950.77
Total	18,813.72	23,266.21

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

Ageing	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
0-1 Year	15,657.65	20,106.24
1-2 Year	1,449.03	1,480.42
2-3 Year	1,173.57	945.71
More Than 3 Yrs	533.47	733.84
Total	18,813.72	23,266.21

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Opening Balance	1,147.78	1,015.20
Impairment loss recognised	279.55	132.58
Balance	1,427.33	1,147.78

The Company held cash and cash equivalents of ₹. 1,799.53 Lakhs at March 31, 2021 (March 31, 2020: ₹ 611.83 lakhs). The cash and cash equivalents are held with bank ₹.1,517.86 Lakhs (March 2020: ₹. 510.05 Lakhs)

34 **Financial instruments – Financial risk management**

(b) **Liquidity risk**

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

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted

Non-derivative financial liabilities	Contractual maturities of financial liabilities				
	On Demand ₹ In Lakhs	0- 1 year ₹ In Lakhs	1-5 years ₹ In Lakhs	> 5 years ₹ In Lakhs	Total ₹ In Lakhs
March 31, 2021					
Banks - Long term loans Including Interest		768.75	8,726.67	-	9,495.42
Loans from banks	21,083.05				21,083.05
Trade payables		25,940.19	423.96		26,364.15
Other Payable		11,440.29			11,440.29
March 31, 2020					
Banks - Foreign currency denominated loans Including Interest	-	2,002.01	-	-	2,002.01
Banks - Long term loans Including Interest		1,025.00	11,997.61	-	13,022.61
Loans from banks/Related Party	18,467.48	-	-	-	18,467.48
Trade payables	-	29,683.72	1,051.32	-	30,735.04
Other Payable	-	10,706.06	-	-	10,706.06

34 **Financial instruments – Financial risk management**

(c) (i) Market Risk- Foreign currency

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2021 and March 31, 2020

	As at 31 March 2021 USD in Lakhs	As at 31 March 2021 EUR in Lakhs	As at 31 March 2021 CHF in Lakhs
Financial assets			
Long-term loans and advances	22.00	295.30	0.87
Short-term loans and advances	27.99	0.18	-
Other Non-current financial assets	-	-	-
Trade and other receivables	45.50	-	-
	95.49	**295.48**	**0.87**
Financial liabilities			
Long term borrowings	-	-	-
Short term borrowings	-	-	-
Trade and other payables	25.94	5.70	-
Other Current financial liabilities	-	-	-
	25.94	**5.70**	**-**
Net Exposure	**69.55**	**289.78**	**0.87**

	As at 31 March 2020 USD in Lakhs	As at 31 March 2020 EUR in Lakhs	As at 31 March 2020 CHF in Lakhs
Financial assets			
Long-term loans and advances	22.00	270.90	0.87
Short-term loans and advances	24.36	0.28	-
Other Non-current financial assets	-	-	-
Trade and other receivables	35.82	-	-
	82.18	**271.18**	**0.87**
Financial liabilities			
Long term borrowings	-	-	-
Short term borrowings	-	-	-
Trade and other payables	18.50	4.02	-
Other Current financial liabilities	-	23.98	-
	18.50	**28.00**	**-**
Net Exposure	**63.68**	**243.18**	**0.87**

The following significant exchange rates have been applied .

	Year-end spot rate	
	March 31, 2021	March 31, 2020
USD / INR	73.23	74.74
EUR / INR	85.88	82.21
CHF / INR	77.63	77.62

Sensitivity analysis

The Sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Profit or (loss)	
Effect in INR	Strengthening	Weakening
March 31, 2021	₹ in Lakhs	₹ in Lakhs
USD 5% movement	(254.66)	254.66
EUR 5% movement	(1,244.27)	1,244.27
CHF 5 % movement	(3.38)	3.38
	(1,502.31)	1,502.31

	Profit or (loss)	
Effect in INR	Strengthening	Weakening
March 31, 2020	₹ in Lakhs	₹ in Lakhs
USD 5% movement	(237.98)	237.98
EUR 5% movement	(999.64)	999.64
CHF 5 % movement	(3.38)	3.38
	(1,241.00)	1,241.00

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Notes to the financial statements for the year ended March 31, 2021 - continued

34 Financial instruments – Financial risk management

(c) (ii) Market Risk- Interest rate

The Exposure of the Company borrowing to interest rate changes at the end of the reporting period are as follow

Particulars	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Variable Rate Borrowing	7,395.40	11,821.61

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the company's:

i) profit for the year ended March 31, 2021 would decrease/increase by ₹.46.64/- lakhs (2020: decrease/increase by ₹.71.39 lakhs). This is mainly attributable to the company's exposure to interest rates on its variable rate borrowings;

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

35 **Assets pledged as security**

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	Notes	As at 31 March 2021 ₹ in Lakhs	As at 31 March 2020 ₹ in Lakhs
Current			
Financial Assets			
Trade Receivable	6	18,813.72	23,266.21
Inventories	12	26,699.12	27,818.41
Total Current assets pledged as security		45,512.84	51,084.62
Non-current			
Land - Freehold	3	314.22	314.22
Land - Leasehold	3	5.00	38.01
Buildings	3	5,966.68	6,316.80
Other Property, plant and equipment *	3	6,409.82	6,337.92
Brand / Trade Mark	4	-	-
Total Non Current assets pledged as security		12,695.72	13,006.95
Total assets pledged as security		**58,208.56**	**64,091.57**

* For the Current Year Property, plant and equipment as per note 3 includes moveable asset for employee benefits, which has not been pledged

Notes to the financial statements for the year ended March 31, 2021 - continued

36 Movement in deferred tax balances

Particulars	As at April 1, 2020	For the year 2020-21		As at March 31, 2021		
		Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax asset						
Property, plant and equipment	(812.05)	(93.16)	-	(905.21)	-	(905.21)
Provisions	658.09	649.56	-	1,307.65	1,307.65	-
Lease Liabilities	18.65	9.77	-	28.42	28.42	-
Amortisation of Processing fees	(38.14)	11.81	-	(26.33)	-	(26.33)
Expenses allowed on Payment	239.45	15.91	-	255.36	255.36	-
Deferred Tax Assets /(Liabilities)	66.00	593.89	-	659.89	1,591.43	(931.54)

Particulars	As at April 1, 2019	For the year 2019-20		As at March 31, 2020		
		Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Deferred tax asset						
Property, plant and equipment	(1,025.47)	213.42	-	(812.05)	-	(812.05)
Provisions	420.85	173.62	63.62	658.09	658.09	-
Lease Liabilities	-	18.65	-	18.65	18.65	-
Amortisation of Processing fees	(72.65)	34.51	-	(38.14)	-	(38.14)
Expenses allowed on Payment	326.51	(87.06)	-	239.45	239.45	-
Deferred Tax Assets /(Liabilities)	(350.76)	353.14	63.62	66.00	916.19	(850.19)

37 Income Tax expense

(a) Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2021 ₹ in Lakhs**	**For the year ended March 31, 2020 ₹ in Lakhs**
Current income tax	2,528.50	525.77
Deferred tax expense	(593.89)	(353.14)
Tax expense for the year	1,934.61	172.63

(b) Amounts recognised in other comprehensive income

Particulars	**For the year ended March 31, 2021**			**For the year ended March 31, 2020**		
	Before tax	**Tax (expense) benefit**	**Net of tax**	**Before tax**	**Tax (expense) benefit**	**Net of tax**
	₹ in Lakhs	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**
Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(121.04)	30.46	(90.58)	(103.24)	25.98	(77.26)
Equity Instruments through Other Comprehensive Income	-	-	-	(206.35)	63.62	(142.73)
	(121.04)	30.46	(90.58)	(309.59)	89.60	(219.99)

(c) Reconciliation of effective tax rate

Particulars	**For the year ended March 31, 2021 ₹ in Lakhs**	**For the year ended March 31, 2020 ₹ in Lakhs**
Profit before tax	7,173.88	(39,668.25)
Tax using the Company's domestic tax rate : 25.168%	1,805.52	(9,983.71)
Tax effect on exceptional item for which no deferred tax assets has been recognised	494.16	10,134.61
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(79.84)	36.05
Adjustments for taxes of prior periods	298.04	-
Tax effect of amounts which are Exempt in calculating taxable income	(781.14)	(3.51)
Other Disallowance/ Round off	197.87	(10.81)
	1,934.61	**172.63**

The tax rate used for the year 2020-21 and 2019-20 reconciliations above is the corporate tax rate of 25.17% payable by corporate entities in India on taxable profits under the Indian tax law.

Eureka Forbes Limited

Standalone Financial Statements

BALANCE SHEET AS AT June 30, 2021

		Particulars	Notes	As at June 31, 2021 ₹ in Lakhs	As at June 31, 2021 ₹ in Lakhs	As at June 31, 2020 ₹ in Lakhs	As at June 31, 2020 ₹ in Lakhs
		ASSETS					
		Non-current Assets					
(a)		Property, plant and equipment	3(a)		12,307.47		12,656.34
(b)		Other Intangible assets	4		203.67		354.94
(c)		Right of Use Assets			906.82		1,726.97
(d)		Financial assets					
	(i)	Investments	5(a)	4,698.42		2,585.74	
	(ii)	Trade receivables	6	914.71		922.41	
	(iii)	Loans	7	12,868.62		13,665.57	
	(iv)	Other financial assets	8	21,056.77	39,538.52	6,880.75	24,054.47
(e)		Tax assets					
	(i)	Deferred Tax Asset (Net)	9	741.03		100.94	
	(ii)	Income Tax Asset (Net)	10	2,315.96	3,056.99	2,414.30	2,515.24
(f)		Other non-current assets	11		1,850.28		3,359.99
		Total Non-current Assets			**57,863.75**		**44,667.95**
		Current Assets					
(a)		Inventories	12		25,483.60		24,828.16
(b)		Financial assets					
	(i)	Investments	5(b)	4,079.36		6,226.80	
	(ii)	Trade receivables	6	13,130.49		17,491.89	
	(iii)	Cash and cash equivalents	13	986.80		2,255.76	
	(iv)	Bank balances other than (iii) above	13	474.84		96.81	
	(v)	Loans	7	162.34		163.32	
	(vi)	Other financial assets	8	167.05	19,000.88	204.01	26,438.59
(c)		Other current assets	11		3,437.12		8,611.62
		Total Current Assets			**47,921.60**		**59,878.37**
		Total Assets			**1,05,785.35**		**1,04,546.32**
		EQUITY AND LIABILITIES					
		Equity					
(a)		Equity share capital	14	377.80		377.80	
(b)		Other Equity	15	(13,275.99)		(20,491.75)	
					(12,898.19)		(20,113.95)
		Total Equity			**(12,898.19)**		**(20,113.95)**

BALANCE SHEET AS AT June 30, 2021

		Particulars	Notes	As at June 31, 2021 ₹ in Lakhs	As at June 31, 2021 ₹ in Lakhs	As at June 31, 2020 ₹ in Lakhs	As at June 31, 2020 ₹ in Lakhs
		Liabilities					
		Non-current Liabilities					
(a)		Financial Liabilities					
	(i)	Borrowings	16	8,439.19		9,861.92	
	(ii)	Trade and other payables	18				
	(ii)	Lease Liabilities	30XIV	332.00		883.69	
	(iii)	Other financial liabilities	18	-	8,771.19	-	10,745.61
(b)		Provisions	19		386.33		410.41
(c)		Other non-current liabilities	20		10,270.44		2,985.82
		Total Non-current Liabilities			**19,427.96**		**14,141.84**
		Current liabilities					
(a)		Financial liabilities					
	(i)	Borrowings	21	15,265.90		20,167.31	
	(ii)	Lease Liabilities	30XIV	689.78		922.76	
	(iii)	Trade and other payables	17		-		
	(a)	Total outstanding dues of micro enterprises and small enterprises		6,860.89		2,135.80	
	(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises		18,692.06		28,563.83	
	(iv)	Other financial liabilities	18	15,231.59	56,740.22	14,520.93	66,310.63
(b)		Provisions	19		2,082.90		1,840.48
(c)		Income tax liabilities (Net)	10		772.05		261.83
(d)		Other current liabilities	20		39,660.42		42,105.49
		Total Current Liabilities			**99,255.59**		**1,10,518.43**
		Total Liabilities			**1,18,683.55**		**1,24,660.27**
		Total Equity and Liabilities			**1,05,785.35**		**1,04,546.32**

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

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

Mumbai , Dated : 10th August 2021

Statement of Profit and Loss for the period ended June 30, 2021

	Particulars	Notes	Quarter ended June 30, 2021 ₹ in Lakhs	Quarter ended June 30, 2020 ₹ in Lakhs
I	**Income**			
	Revenue from Operations	22	37,383.07	25,419.21
	Other income and other gains / (losses)- Net	23	1,034.88	902.26
	Total Income		**38,417.95**	**26,321.47**
II	**Expenses**			
	Cost of Materials Consumed	24	9,579.17	6,413.62
	Purchases of stock-in-trade	24	2,730.58	502.81
	Changes in inventories of finished goods,spares, stock-in-trade and work-in-progress	24	1,316.48	1,690.22
	Employee benefits expense	25	6,231.30	6,466.80
	Finance costs	26	637.88	946.04
	Depreciation and amortisation expense	27	614.34	677.60
	Other expenses	28	15,589.43	10,476.48
	Total expenses		**36,699.18**	**27,173.57**
III	**Profit before exceptional items and tax**		**1,718.77**	**(852.10)**
	Add/ (Less) : Exceptional items (Refer Note 30(X))		-	-
IV	**Profit/ (Loss) before tax and after exceptional items**		**1,718.77**	**(852.10)**
	Less: Tax expense			
(1)	Current tax	29	550.00	-
(2)	Deferred tax (credit) / charge	29	(81.14)	(34.94)
			468.86	**(34.94)**
V	**Profit/(Loss) for the Year**		**1,249.91**	**(817.16)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to profit or loss			
(a)	Remeasurements of the defined benefit plans Gain/(Loss)		-	-
	Tax effect		-	-
			-	-
(b)	Equity instruments through other comprehensive income		-	-
	Tax effect		-	-
			-	-
			-	-
B	Items that may be reclassified to profit or loss		-	-
VII	**Total other comprehensive Income/(Loss) (A + B)**		-	-
	Total comprehensive income/ (loss) for the Year (V+VII)		**1,249.91**	**(817.16)**
	Earnings per equity share:			
	(1) Basic (in ₹.)		33.08	(21.63)
	(2) Diluted (in ₹.)		33.08	(21.63)

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

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

Mumbai , Dated : 10th August 2021

Cash Flow Statement for the year ended June 30, 2021

Particulars	Year ended June 30, 2021		Year ended June 30, 2020	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Cash flows from operating activities				
Profit/ (Loss) before tax and after exceptional items		1,718.77		(852.10)
Adjustments for:				
Finance costs recognised in profit and loss	610.82		899.37	
Interest on Lease Liabilities	27.06		46.67	
(Gain)/ Loss on Investment recognised in profit and loss	51.10		(25.61)	
Interest Income	(284.68)		(259.45)	
(Gain)/ Loss on disposal of property, plant and equipment	(1.22)		(1.08)	
Provision/write-off of doubtful debts, advances and other current assets	476.04		29.15	
Depreciation and amortisation expenses	399.48		421.76	
Depreciation and amortisation expenses on Right of use assets	214.86		255.84	
Net foreign exchange (gain)/loss - unrealised	(578.17)		(574.81)	
Fair value Commission on Financial Guarantee	(24.52)	890.77	(23.84)	768.00
Operating Profit before Working capital Changes		**2,609.54**		**(84.10)**
Movements in working capital:				
(Increase)/decrease in trade and other receivables	4,229.24		4,890.62	
(Increase)/decrease in inventories	1,215.51		2,990.26	
(Increase)/decrease in loans and advances	1.04		(2,080.05)	
(Increase)/decrease in Other Assets	979.84		(2,576.25)	
(Increase)/decrease in Other Financial Assets	0.98		(0.12)	
Increase/(decrease) in trade and other payables	326.74		1,962.92	
Increase/(decrease) in provisions	111.21		74.87	
Increase/(decrease) in other liabilities	(953.75)	5,910.81	(637.09)	4,625.16
Cash generated from operations		8,520.35		4,541.06
Less : Income taxes (-paid) / refund received		(660.27)		1,009.48
Net cash generated by operating activities		**7,860.08**		**5,550.54**
Cash flows from investing activities				
Payments for investment in Subsidiary	-		-	
Payments for Other investments	(3,000.00)		(6,226.80)	
Proceeds on sale of Other Investments	7,488.93		3,726.80	
Interest received	(42.70)		22.51	
Advances given	(7,399.74)		-	
Payments for property, plant and equipment	(17.47)		(48.81)	
Proceeds from disposal of property, plant and equipment	51.26		8.34	
Bank Balance other than Cash & Cash equivalents	(115.32)		(19.01)	
Net cash used from investing activities		**(3,035.04)**		**(2,536.97)**
Cash flows from financing activities				
Proceeds from borrowings	1,660.00		12.06	
Repayment of borrowings	-		(893.91)	
Net increase / (decrease) in working capital borrowings	(6,442.16)		(875.55)	
Payment of lease liability	(239.88)		(297.16)	
ICD taken	-		1,500.00	
Interest paid	(615.73)		(815.08)	
Net cash used in financing activities		**(5,637.77)**		**(1,369.64)**
Net Increase / (Decrease) in cash and cash equivalents		**(812.73)**		**1,643.93**
Cash and cash equivalents at the beginning of the year		1,799.53		611.83
Cash and cash equivalents at the end of the year {refer note 13}		986.80		2,255.76
Net Increase / (Decrease) in cash and cash equivalents as disclosed above		**(812.73)**		**1,643.93**

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

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

Mumbai , Dated : 10th August 2021

Statement of changes in equity for the year ended June 31, 2021

A. Equity share capital

	₹ in Lakhs
Balance at April 1, 2020	377.80
Changes in equity share capital during the year	-
Balance at March 31, 2021	377.80
Changes in equity share capital during the year	-
Balance at June 30, 2021	377.80

Eureka Forbes Limited

Statement of changes in equity for the year ended June 30, 2021

B. Other Equity

Particulars	Reserves and surplus							Fair value Reserves		Total Other Equity
	Capital reserve	Capital reserve on Merger	General reserve	Capital Redemption Reserve	Retained earnings	Securities Premium	Total	Equity Instrument through Other Comprehensive Income	Total	
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
Balance at April 1, 2020	**57.64**	**205.00**	**18,500.00**	**122.20**	**(41,000.64)**	2,500.00	**(19,615.80)**	**(58.79)**	**(58.79)**	**(19,674.59)**
Add:										
Profit/ (Loss) for the year	-	-	-	-	5,239.27	-	5,239.27	-	-	5,239.27
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	(90.58)	-	(90.58)	-	-	(90.58)
Cumulative gain/(loss) reclassified to retained earnings on sale of Equity Instrument designated as at FVTOCI	-	-	-	-	(58.81)	-	(58.81)	58.81	58.81	-
Total comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**5,089.88**	-	**5,089.88**	**58.81**	**58.81**	**5,148.69**
Balance at March 31, 2021	**57.64**	**205.00**	**18,500.00**	**122.20**	**(35,910.76)**	**2,500.00**	**(14,525.92)**	**0.02**	**0.02**	**(14,525.90)**
Add:										
Profit/ (Loss) for the year	-	-	-	-	1,249.91	-	1,249.91	-	-	1,249.91
Other comprehensive Income/ (Loss) for the year, net of income tax	-	-	-	-	-	-	-	-	-	-
Cumulative gain/(loss) reclassified to retained earnings on sale of Equity Instrument designated as at FVTOCI	-	-	-	-	-	-	-	-	-	-
Total comprehensive Income/(Loss) for the year	**-**	**-**	**-**	**-**	**1,249.91**	**-**	**1,249.91**	**-**	**-**	**1,249.91**
Balance at June 30, 2021	**57.64**	**205.00**	**18,500.00**	**122.20**	**(34,660.85)**	**2,500.00**	**(13,276.01)**	**0.02**	**0.02**	**(13,275.99)**

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

Marzin R. Shroff
Managing Director & CEO
(DIN-00642613)
Mumbai , Dated : 10th August 2021

Background

Eureka Forbes Limited is a limited company incorporated and domiciled in India with its registered office situated at B1/B2, 701, Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, (West), Mumbai – 400 013. The Company is subsidiary of Forbes & Co Limited and ultimate holding company is Shapoorji Pallonji and Company Private Ltd.

The Company is engaged in Manufacturing, selling, renting and servicing of Vacuum cleaners, Water Filter cum purifiers, Water and Waste Water Treatment Plant; Trading in Electronic Air Cleaning Systems, Small Household Appliances, Digital Security System and Fire Extinguisher etc.

Note 1: Basis of preparation of Financial statements

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

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

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

(b) Historical Cost convention

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

Judgements

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

Note 2(g) and 3(a) – Useful life of Property, plant and equipment
Note 2(h) and 4 – Useful life of Intangible assets
Note 25– Employee Benefit Expense
Note 19 and 30(I)(a)– Provisions and Contingent liabilities
Note 5 (a) – Estimated Fair Values of Unlisted Securities
Note 19– Estimation for provision of Warranty Claims
Note 6– Impairment of Trade Receivables and loans
Note 10 and 29– Income taxes
Note 9 and 29– Recognition of Deferred taxes
Note 2(m)– Refund Liabilities
Note 30(XI) - Impact of Covid-19

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year is included in the note below.
Note 30(1) (a) and 30 (XIII) – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Impairment

Assets are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including operating results, business plans , future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

(e) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.
Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the assets or liability
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. the fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and lowest priority to unobservable inputs (Level 3 inputs).
Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.
Further information about the assumptions made in measuring fair values is included in the following note:
Note 33 – Financial instruments.

Note 2: SIGNIFICANT ACCOUNTING POLICIES

(a) Foreign currency transactions

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

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

(b) Financial Instruments

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

(i) Financial Assets

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

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
• The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

<u>Effective interest method</u>

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

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

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

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

<u>Investments in equity instruments at fair value through other comprehensive income (FVTOCI)</u>

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the reserve for ‘equity instruments through other comprehensive income.

(ii) <u>Financial liabilities and equity instruments</u>

<u>Classification as debt or equity</u>

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

Equity instruments

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

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.
Financial guarantee contracts issued by the Company are measured at their fair values.

(c) Derecognition

Financial Assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.
If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

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

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

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

(d) Impairment
(i) Impairment of financial instruments
The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial assets and financial guarantee not designated as FVTPL.
The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses :
-bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
-Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.
12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).
In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.
When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

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

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

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

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

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

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

(e) **Cash and cash equivalents**

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

(f) **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

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

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

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

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

(g) **Property plant and equipment**

Freehold land is carried at historical cost. All other items of property ,plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation methods, estimated useful lives and residual value

Depreciation has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes etc.

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

Type of Assets	Period
Plant & Machinery for cleaning services	5 years
Plant & Machinery on rent	6 years
Motor Cycles	3 years
Motor Cars	5 years
Office Equipments	3 - 5 years

(h) **Intangible assets**

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

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

Type of Assets	Period
Technical Knowhow	5 years

Computer Software	5 years
Brand Name / Trademarks	5 Years

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

(i) **Employee Benefits**

(i) **Short Term employee benefits**

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

(ii) **Defined Contribution Plans**

Defined contribution plans are employee state insurance scheme and Government administered pension / provident fund scheme for all applicable employees and superannuation scheme for eligible employees. The Company's contribution to defined contribution plans are recognised in the Statement of Profit and Loss in the financial year to which they relate.

The Company makes specified monthly contributions towards Employee Provident Fund scheme to a separate trust administered by the Company. The minimum interest payable by the trust to the beneficiaries is being notified by the Government every year. The Company has an obligation to make good the shortfall, if any, between the return on investments of the trust and the notified interest rate.

(iii) **Defined Benefit Plans**

Gratuity Scheme

The Company operates a defined benefit gratuity plan for employees. The Company contributes to a separate trust administered by the Company towards meeting the Gratuity obligation. The Company's liability is determined on the basis of an actuarial valuation. Remeasurements of the net defined benefit liability as per the actuarial valuation report , which comprise actuarial gains and losses are recognised in OCI.

Other long term employee benefits

Entitlements to annual leave are recognised when they accrue to employees. The Company determines the liability for such accumulated leaves using the Projected Accrued Benefit method with actuarial valuations being carried out at each Balance Sheet date.

(j) **Research and Development**

(a) Capital Expenditures are shown separately under respective heads of fixed assets.
(b) Revenue expenses are included under the respective heads of expenses.

(k) **Lease Accounting**

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

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

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods.The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

Ammendment in accounting standard Ind AS 116 on “Leases”

On 24 July 2020, Ministry of Corporate Affairs notified amendments to Ind AS 116 – Leases, introducing an optional practical expedient for leases in which the Company is a lessee wherein the Company is not required to assess whether eligible rent concessions, to payments originally due on or before 30 June 2021, which are direct consequences of the COVID-19 pandemic are lease modifications. The Company has elected to apply the practical expedient consistently to lease contracts.

(l) Government Grant

Government grants related to income under State Investment Promotion Scheme linked with VAT / GST payment, are recognised in the Statement of Profit and Loss in the period in which they become receivable.

(m) Revenue Recognition

The Company derives Revenue from sale of products primarily water purifiers and vacuum cleaners and providing related maintenance services. Revenue from sale of goods is recognised when control of the products being sold has transferred to the customer upon delivery. Revenue is measured net of taxes, returns, discounts, incentives and rebates earned by customers on the sales. Revenue from services are recognised over the period of time.

A refund liability (included in other current liabilities) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

In relation to certain contracts where installation services are provided by the company, same is accounted as a separate performance obligation. Payment of the transaction price is due immediately when the customer purchases the goods/services except in certain cases where a credit term is agreed between company and customers.

Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. An estimate is made for goods that will be returned and a liability has been recognised for this amount as refund liability (included in other current liabilities). An asset has also been recorded (included in other current assets) for the corresponding inventory that is estimated to return to the company using a best estimate based on accumulated experience.

Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as provision.

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

Interest income from financial asset is recognised when it is probable that the economic benefit will flow to the company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(n) Taxation

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

Current Tax

Current tax is measured on the basis of estimated income and tax credits computed in accordance with the provisions of the Income Tax Act,1961

Management perdiocally evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities. Also refer note no. 30 (I) for Uncertain Tax Position

The entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

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

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax liability are generally recognised for all taxable temporary differences. Deferred tax asset (including in respect of carried forward tax losses and tax credits) are recognised to the extent it is probable that the taxable profit will be available against which deductible temporary differences can be utilised.

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

(o) Earnings Per Share

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

(p) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period taking into account the risk and 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 (where the effect of the time value of money is material).

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent Liabilities are not recognised in the financial statements but are disclosed in the notes.

Contingent assets are disclosed where inflow of economic benefit is probable.

(q) Investment in Subsidiary, Joint Ventures and Associate Companies

The Company has elected to recognize its investments in subsidiary, joint Ventures and associate companies at cost in accordance with the option available in IND AS 27, ' Separate Financial Statement'. The details of such investments are given in Note 5. Impairment policy applicable on such investments is explained in note 2 (d) above.

(r) **Borrowing Cost**

Borrowing Cost includes interest, amortization of ancillary cost incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing cost, if any, directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised, if any. All other borrowing costs are expensed in the period in which they occur.

(s) **Derivatives**

The Company enters into certain derivative contracts to hedge risks which are not designated as hedge. Such contracts are accounted for at fair value through the Statement of Profit and Loss

(t) **Assets Classified as held for sale**

Noncurrent assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. These assets are measured at lower of their carrying amount and fair value less costs to sell. Non current assets (or disposal group) are presented separately from the other assets in the balance sheet. The liabilities of disposal group, if any, are presented separately from the other liabilities in the balance sheet.

(u) **Business Combination**

Business Combination of the entities under common control are accounted using the "pooling of Interests" method and assets and liabilities are reflected at the predecessor carrying values and the only adjustments that are made are to harmonise accounting policies.

(v) **Segment Reporting**

The Group is primarily engaged in the business of Health, Hygiene & Safety products and its services. As the basic nature of these activities are governed by the same set of risk and returns, there is no primary segment identified as per Indian Accounting Standards (Ind AS) 108 "Operating Segments" notified under section 133 of the Companies Act 2013. The Group has identified geographical segment as its secondary segment.

Notes to the financial statements for the year ended June 30, 2021 - continued

3(a). Property, plant and equipment

Gross Block #	**Land - Freehold**	**Buildings ****	**Plant and Machinery $**	**Assets-on lease*****	**Electrical Installation & Equipment**	**Laboratory Equipment**	**Office Equipment**	**Furniture and Fixtures**	**Vehicles**	**Computers**	**Total**
	₹ in Lakhs	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**	**₹ in Lakhs**
As at 1st April 2020	314.22	8,607.47	6,032.65	37.11	1,059.99	253.93	308.71	830.49	5,002.65	3,769.31	26,216.53
Additions	-	24.07	1,230.39	-	16.35	8.87	6.74	26.03	147.01	116.75	1,576.21
Deletions	-	(366.89)	(112.12)	(29.85)	(100.57)	(4.48)	(31.55)	(49.36)	(572.30)	(114.13)	(1,381.25)
As at 31st March 2021	314.22	8,264.65	7,150.92	7.26	975.77	258.32	283.90	807.16	4,577.36	3,771.93	26,411.49
Additions	-	-	2.28	-	2.20	0.07	17.35	-	7.36	-	29.26
Deletions	-	-	-	-	(1.24)	-	-	(0.25)	(58.96)	(0.20)	(60.65)
As at 30th June 2021	**314.22**	**8,264.65**	**7,153.20**	**7.26**	**976.73**	**258.39**	**301.25**	**806.91**	**4,525.76**	**3,771.73**	**26,380.10**
Depreciation	Land - Freehold	Buildings	Plant and Machinery	Assets-on lease	Electrical Installation & Equipment	Laboratory Equipment	Office Equipment	Furniture and fixtures	Vehicles	Computers	Total
	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs	₹ in Lakhs
As at April 1, 2020	-	2,290.67	3,017.24	16.96	824.26	130.31	246.42	603.45	2,846.86	3,271.42	13,247.59
Charge for the year	-	178.84	384.35	3.56	36.28	22.06	20.59	36.24	626.48	192.64	1,501.04
Deletions	-	(171.54)	(97.23)	(15.76)	(89.01)	(3.49)	(29.40)	(40.77)	(469.47)	(111.20)	(1,027.87)
As at 31st March 2021	-	2,297.97	3,304.36	4.76	771.53	148.88	237.61	598.92	3,003.87	3,352.86	13,720.76
Charge for the year	-	43.60	116.84	0.33	8.67	5.56	5.09	9.24	129.60	43.54	362.47
Deletions	-	-	-	-	(0.75)	-	-	(0.23)	(9.43)	(0.19)	(10.60)
As at 30th June 2021	**-**	**2,341.57**	**3,421.20**	**5.09**	**779.45**	**154.44**	**242.70**	**607.93**	**3,124.04**	**3,396.21**	**14,072.63**
Net Block											
As at 31st March 2021	**314.22**	**5,966.68**	**3,846.56**	**2.50**	**204.24**	**109.44**	**46.29**	**208.24**	**1,573.49**	**419.07**	**12,690.73**
As at 30th June 2021	**314.22**	**5,923.08**	**3,732.00**	**2.17**	**197.28**	**103.95**	**58.55**	**198.98**	**1,401.72**	**375.52**	**12,307.47**

Notes to the financial statements for the year ended June 30, 2021 - continued

4 Intangible Assets

Gross Block	Computer Software ₹ in Lakhs	Technical Knowhow ₹ in Lakhs	Brand Name / Trademarks # ₹ in Lakhs	Total ₹ in Lakhs
As at April 1, 2020	1,665.09	60.00	3,195.17	4,920.26
Additions	-	-	-	-
As at 31st March 2021	1,665.09	60.00	3,195.17	4,920.26
Additions	-	-	-	-
As at 30th June 2021	1,665.09	60.00	3,195.17	4,920.26
Amortisation				
As at 1st April 2020	1,299.29	34.48	3,195.17	4,528.94
Charge for the year	145.53	5.10	-	150.63
As at 31st March 2021	1,444.82	39.58	3,195.17	4,679.57
Charge for the year	36.38	0.64	-	37.02
As at 30th June 2021	1,481.20	40.22	3,195.17	4,716.59
Net Block				
As at 31st March 2021	220.27	20.42	-	240.69
As at 30th June 2021	183.89	19.78	-	203.67

Notes to the financial statements for the year ended June 30, 2021 - continued

Financial assets

5 (a). Non Current Investments

Investments in Subsidiaries at Cost

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
10,00,000 equity shares of ₹ 10/- fully paid up in Forbes Facility Services Private Limited.	100.00	100.00
48,27,263 equity shares of ₹ 10/- fully paid up in Forbes Enviro Solutions Limited	518.86	518.86
15,001 ordinary shares of Euro 1/- fully paid up in EFL Mauritius Limited	9.46	9.46
3,57,765 equity shares of AED 1000/- fully paid up in Euro Forbes Limited. (Includes 3,16,150 shares issued at discount)	34,732.26	34,732.26
50,000 equity shares of ₹ 10/- fully paid up in Euro Forbes Financial Services Limited	5.00	5.00
58,55,734 equity shares of ₹ 10/- each fully paid up in Aquaignis Technologies Private Limited	490.97	490.97
500,000 equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited	50.00	-
70,00,000 equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited	2,474.15	-
33,500 equity shares of CHF 1000/- each fully paid up shares in Forbes Lux International AG	22,899.48	22,899.48
Investments in Preference Shares		
2,87,05,230 preference shares of Euro 1/- fully paid up in EFL Mauritius Limited	21,224.81	21,224.81
TOTAL UNQUOTED INVESTMENTS	82,504.99	79,980.84
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	77,831.80	77,831.80
Investments in Subsidiaries at Cost	**4,673.19**	**2,149.04**

Investments in joint ventures at cost

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments		
Nil equity shares of ₹ 10/- fully paid up in Forbes Aquatech Limited	-	50.00
26,25,000 equity shares of ₹ 10/- fully paid up in Forbes Concept Hospitality Services Private Limited	262.50	262.50
Nil equity shares of ₹ 10/- fully paid up in Infinite Water Solutions Private Limited	-	350.00
TOTAL UNQUOTED INVESTMENTS	262.50	662.50
Less : Aggregate amount of impairment in value of investments in joint ventures	262.50	262.50
Investments in joint ventures at cost	**-**	**400.00**

Notes to the financial statements for the year ended June 30, 2021 - continued

Financial assets

Other investments

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Unquoted Investments (all fully paid)		
Investments in Equity Instruments - Other Company at FVOCI		
Nil equity shares of ₹ 1/- fully paid up in Idea Bubble Consulting Services Private Limited	-	12.15
7,143 equity shares of ₹ 10/- fully paid up in Water Quality Association. (Refer Note:-1 below)	0.71	0.71
TOTAL Investments in Equity Instruments and Debentures	0.71	12.86
Less : Aggregate amount of impairment in value of investments	-	-
Unquoted Investment at cost	**0.71**	**12.86**
Other investments	**0.71**	**12.86**
Equity Component in Fair value of Financial Guarantees		
Euro Forbes Limited	415.78	415.78
Forbes Lux International AG	137.05	111.70
Lux International AG (step down subsidiary)	300.70	228.56
	853.53	**756.04**
Less : Aggregate amount of impairment in value of investments in Subsidiary Companies	829.01	732.20
Equity Component in Fair value of Financial Guarantees	**24.52**	**23.84**
Total Non Current Investment	**4,698.42**	**2,585.74**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	4,698.42	2,585.74
	4,698.42	2,585.74

Note 1:- The Company has invested in 7143 shares of face value ₹ 10 /- each in a non profit making organisation hence the fair value has been considered same as the carrying value

5(b). Current Investments

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Quoted Investments in Mutual Funds		
Tata Overnight Fund - Regular Growth- NIL	-	6,226.80
Tata Liquid Fund - Regular Plan - Growth -61,543.268 units	2,000.00	-
HDFC Liquid Fund - Growth - 83,997.947 units	2,079.36	-
Total Current Investment	**4,079.36**	**6,226.80**
Aggregate amount of quoted investments and market value thereof	4,079.36	6,226.80

Notes to the financial statements for the year ended June 30, 2021 - continued

6. Trade receivables

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Trade receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	914.71	922.41	9,749.27	14,149.41
Unsecured , Debts due from related parties		-	3,381.22	3,342.48
Unsecured, which have significant increase in credit risk	-	-	-	-
Unsecured, credit impaired	1,655.22	1,176.93	-	-
Unsecured, credit impaired from related parties	248.14	-	-	-
	1,903.36	1,176.93	-	-
Less: Allowance for doubtful debts	1,903.36	1,176.93	-	-
Total	**914.71**	**922.41**	**13,130.49**	**17,491.89**

7. Loans

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Loans to related parties (Refer Note:-1 below)				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	14,735.26	11,798.93	150.00	150.00
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	12,998.70	14,865.34	-	-
Less : Allowance for bad and doubtful loans	14,865.34	12,998.70	-	-
	12,868.62	13,665.57	150.00	150.00
Loans to Employees				
-Secured, considered good	-	-	-	-
-Unsecured, considered good	-	-	12.34	13.32
-Unsecured, which have significant increase in credit risk	-	-	-	-
-Unsecured, credit impaired	-	-	-	-
Less : Allowance for bad and doubtful loans	-	-	-	-
	-	-	12.34	13.32
	12,868.62	**13,665.57**	**162.34**	**163.32**

Note 1:- Inter corporate deposit given to a subsidiary company Forbes Lux International AG is subordinated to its other existing and future liabilities

8. Other financial assets

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Bank deposits with more than 12 months maturity	10.27	-	-	-
Deposit with Banks held as Margin Money	1,130.78	978.76	-	-
Security deposits - unsecured considered good	814.43	923.45	129.94	188.27
Advances to related parties	12,916.35	-	-	-
Interest Accrued -				
on Inter Corporate Deposits to related parties	6,074.61	4,978.54	3.84	-
on Advances to related parties	110.33	-	-	-
on fixed deposits with Banks	-	-	33.27	15.74
	21,056.77	6,880.75	167.05	204.01

9. Deferred tax balances

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

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Deferred tax assets	1,658.27	939.56
Deferred tax liabilities	(917.24)	(838.62)
Net	**741.03**	**100.94**

Notes to the financial statements for the year ended June 30, 2021 - continued

10. Income tax assets and liabilities

Standalone Financia

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Income tax assets (Net)				
Advance income-tax (Net of provision for taxation)	2,315.96	2,414.30	-	-
Total	2,315.96	2,414.30	-	-
Income tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	772.05	261.83
	-	-	772.05	261.83

Notes to the financial statements for the year ended June 30, 2021 - continued

11. Other Assets

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Unsecured considered good, unless stated otherwise				
Capital Advances	45.85	430.40	-	-
Advances to related parties	272.80	272.80	-	0.04
Prepaid expenses	71.59	38.72	675.72	776.69
Right to Recover Returned Goods (Refer Note: 1 below)	-	-	99.27	67.28
Balance with statutory/ government authorities	1,460.04	1,568.07	1,828.32	1,458.75
Advances recoverable in cash or kind	-	1,050.00	833.81	6,308.86
Advances recoverable in cash or kind - Considered Doubtful	3,053.00	1,000.00	452.81	117.63
	3,053.00	2,050.00	1,286.62	6,426.49
Less: Provision for doubtful advances	3,053.00	1,000.00	452.81	117.63
	-	1,050.00	833.81	6,308.86
Total	**1,850.28**	**3,359.99**	**3,437.12**	**8,611.62**

Note 1:- A return right gives the company a contractual right to recover the goods from a customer (return assets) if the customer exercises his right to return the goods and the right to recover returned goods is accounted for the products that are expected to be returned

12. Inventories

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Inventories (lower of cost and net realisable value)		
Raw Materials ,Components and Packing Material	5,271.42	4,259.06
Finished Goods	4,372.59	6,684.27
Stock in Trade	8,248.21	6,491.02
Spares & Accessories	7,591.38	7,393.81
	25,483.60	24,828.16

Eureka Forbes Limited

13. Cash and cash equivalents and other bank balances

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

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Balances with Banks in current accounts	786.63	2,047.59
Cheques, drafts on hand	109.55	128.76
Cash on hand	86.27	79.41
Deposits with original maturity of less than 3 Months	4.35	-
Total Cash & cash equivalents	**986.80**	**2,255.76**
Bank Balances other than cash & cash equivalents		
Deposits with original maturity of more than 12 months *	413.53	25.47
Deposits with original maturity of more than 3 months but less than 12 months *	61.31	71.34
Total Bank Balances other than cash & cash equivalents	**474.84**	**96.81**
Cash and cash equivalents as per cash flow statement	986.80	2,255.76

* Deposits lodged as security with Government authorities

14. Equity Share Capital

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Equity share capital	377.80	377.80
Total	377.80	377.80

Authorised Share capital :

Particulars	**Number of shares**	**Share capital ₹ in Lakhs**
As at April 1, 2020	2,05,00,000	2,050
Increase during the year	-	
As at April 1, 2021	2,05,00,000	2,050
Increase during the year	-	-
Balance at June 30, 2021	**2,05,00,000**	**2,050**

Issued and subscribed capital comprises:

37,78,000 fully paid equity shares of ₹.10 each (as at March 31, 2021: 37,78,000)	377.80	377.80
	377.80	377.80

Movement in equity share capital :

Particulars	**Number of shares**	**Share capital ₹ in Lakhs**
Balance at April 1, 2020	37,78,000	377.80
Less: Bought back during the year	-	-
Balance at March 31, 2021	37,78,000	377.80
Less: Bought back during the year	-	-
Balance at June 30, 2021	**37,78,000**	**377.80**

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

2. Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at June 30, 2021	As at June 30, 2020
Balance at the beginning of the year- held by Forbes & Company Limited	37,78,000	37,78,000
Add: Issued during the year	-	-
Total as at the end of the year	**37,78,000**	**37,78,000**

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

Particulars	**As at June 30, 2021**		**As at June 30, 2020**	
	Number of shares held	**% holding**	**Number of shares held**	**% holding**
Fully paid equity shares				
Forbes & Company Limited	37,78,000	100%	37,78,000	100%
Total	37,78,000	100%	37,78,000	100%

Notes to the financial statements for the year ended June 30, 2021 - continued

15. Other equity

Particulars	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
1) General reserve		
Balance at beginning of the year	18,500.00	18,500.00
Transfer from Profit		-
Balance at end of the Quarter	**18,500.00**	**18,500.00**
2) Retained earnings		
Balance at beginning of year	(35,910.74)	(41,000.64)
Add/ (less): Profit/ (Loss) for the year	1,249.9100	(817.16)
Other comprehensive income/(loss) arising from re-measurement of defined benefit obligation, net of tax		-
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument designated at FVTOCI		-
Balance at end of the Quarter	**(34,660.83)**	**(41,817.80)**
3) Fair Value Reserves- Equity Instrument at FVTOCI		
Balance at beginning of the year	-	(58.79)
Add/Less: Net fair value gain/(loss) in Equity instruments through other comprehensive income (Net of Tax)		-
Cumulative gain/(loss) reclassified to retained earning on sale of Equity Instrument designated at FVTOCI		-
Balance at end of the Quarter	**-**	**(58.79)**
4) Capital redemption reserve		
Balance at beginning of the year	122.20	122.20
Balance at end of the Quarter	**122.20**	**122.20**
5) Capital Reserve on account of Merger		
Balance at beginning of the year	205.00	205.00
Balance at end of the Quarter	**205.00**	**205.00**
6) Capital Reserve		
Balance at beginning of the year	57.64	57.64
Balance at end of the Quarter	**57.64**	**57.64**
7) Security Premium		
Balance at beginning of the year	2,500.00	2,500.00
Balance at end of the Quarter	**2,500.00**	**2,500.00**
Total	**(13,275.99)**	**(20,491.75)**

Description of nature and purpose of reserves

1) General Reserve

The company created a General Reserve in earlier years pursuant to the provision of the Companies Act wherein certain percentage of profits were required to be transferred to General Reserve before declaring dividend. As per Companies Act, 2013 the requirement to transfer profits to General Reserve is not mandatory. General Reserve is a free reserve available to the company .

2) Retained Earnings

This reserve represents the cumulative profits of the company and the effects of remeasurement of defined benefit obligations. The reserve can be utilised in accordance with the provision of the Companies Act, 2013

3) Reserve for equity instruments through other comprehensive income

Reserve for equity instruments through other comprehensive income represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

4) Capital Redemption Reserve

As per the provisions of Companies Act, 2013 Capital Redemption Reserve is created out of the Free reserve for the amount equivalent to the paid up capital of shares bought back by the Company and for redemption of Preference share capital.

5) Capital Reserve On account of merger

Capital Reserve on account of merger represents the difference between the Share Capital of transferor company and the recorded investment of transferee company as on appointed date and shown separately in the statement of changes in Equity

6) Capital Reserve

Grants received from the government in the nature of promoter's contribution towards fixed capital investment are recognised as capital reserve and treated as part of total equity.

7) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised in accordance with the provisions of the Companies Act , 2013

Notes to the financial statements for the year ended June 30, 2021 - continued

Financial Liabilities

16. Borrowings

Particulars	Non-current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Secured – at amortised cost				
Term loans from				
Banks - Foreign currency denominated loans	-	-	-	1,075.38
Banks - Rupee Term loan	8,439.19	9,861.92	625.00	-
Amount disclosed under the head "Current Borrowing " (note 21)	-	-	(625.00)	(1,075.38)
Total Non-current borrowings	8,439.19	9,861.92	-	-

17. Trade payables

Particulars	Non Current As at June 30, 2021 ₹ in Lakhs	Non Current As at June 30, 2020 ₹ in Lakhs	Current As at June 30, 2021 ₹ in Lakhs	Current As at June 30, 2020 ₹ in Lakhs
Trade and other payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	6,860.89	2,135.80
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer note below for dues to Micro and Small Enterprises)	-	-	15,539.85	24,230.37
Trade payables to related parties (Refer note 30 VII)	-	-	3,152.21	4,333.46
Total	-	-	25,552.95	30,699.63

18. Other financial liabilities

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021	As at June 30, 2020 ₹ in Lakhs
(a) Interest accrued but not due on borrowings				
-From banks	-	-	-	127.20
-From related Parties (Refer note 30 VII)	-	-	-	-
(b) Interest free trade deposits	-	-	4,798.92	4,677.10
(c) Others :-				
-Dues to employees	-	-	4,678.36	3,845.13
-Dues on account of customer rebate schemes and other contractual liabilities	-	-	5,754.31	5,871.50
Total	-	-	15,231.59	14,520.93

Notes to the financial statements for the year ended June 30, 2021 - continued

19. Provisions

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021	As at June 30, 2020 ₹ in Lakhs
Employee benefits - Compensated absences	386.33	410.41	88.22	-
Gratuity payable	-	-	336.51	257.52
Other provisions (Refer Note 30XIII)				
Warranties	-	-	1,606.92	1,531.71
Others	-	-	51.25	51.25
Total	386.33	410.41	2,082.90	1,840.48

Notes to the financial statements for the year ended June 30, 2021 - continued

20. Other Liabilities

Particulars	Non Current		Current	
	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs	As at June 30, 2021 ₹ in Lakhs	As at June 30, 2020 ₹ in Lakhs
Contract Liabilities - Income received in advance (Refer Note 30 XV)	9,360.24	1,974.20	33,272.86	36,302.28
Others - Deductions from employees for company's assets	910.20	1,011.62	1,189.55	1,289.32
Advance from customers	-	-	1,449.58	1,142.66
Contract Liabilities - Others (Refer Note 1 below)	-	-	22.00	6.00
Refund Liabilities (Refer Note 2 below)	-	-	1,807.28	2,262.01
Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	1,919.15	1,103.22
Total	10,270.44	2,985.82	39,660.42	42,105.49

Note 1: Contract liability pertains to deferred revenue arising as a separate performance obligation.

Note 2: The company recognises a refund liability for the amount of consideration received when a customer has a right to return products within a given period. Refund liabilities also include amount recognised for various discounts and incentives payable to customers .

21. Current Borrowings

Particulars	As at June 30, 2021 ₹ in lakhs	As at June 30, 2020 ₹ in lakhs
Unsecured - at amortised cost		
Loans repayable on demand		
- from banks	981.05	-
- from related party	-	4,000.00
Secured - at amortised cost		
Loans repayable on demand		
-from banks (Cash credit/ Buyers credit)	13,659.85	15,091.93
Term loans from		
-Banks - Foreign currency denominated loans	-	1,075.38
-Banks - Rupee Term loan	625.00	-
Total	15,265.90	20,167.31

22. Revenue from operations

	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Sale of products	23,754.32	13,167.61
Sale of services	13,514.82	12,125.41
Other operating revenues		
Scrap sales	24.58	10.82
Other (includes income from renting of assets)	89.35	115.37
Total	**37,383.07**	**25,419.21**

23. Other Income and other gains/ (losses)

Other Income	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
Bank deposits (at amortised cost)	3.69	7.59
Interest Others	57.47	0.44
Interest income on financial assets at amortised cost	280.99	251.85
Fair value Commission on Financial Guarantee	24.52	23.84
Rental Income from Operating Lease	20.46	19.38
Others (includes Government grants ₹.430.58/- lakhs (previous year ₹ 211.80/- lakhs))	34.43	19.30
Total (A)	**421.56**	**322.40**

Other gains/(losses) -Net	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Gain/(loss) on disposal of property, plant and equipment	1.22	2.07
Gain/(loss) on disposal of Investments at FVTPL	51.10	25.61
Net foreign exchange gains/(losses)	561.00	552.15
Gain/(Loss) on Modification/Disposal of Right of use assets	-	0.03
Total (B)	**613.32**	**579.86**
Total (A+B)	**1,034.88**	**902.26**

24. Cost of Goods Sold

	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Raw Materials, Components and Packing Materials -		
Inventory at the beginning of the year	5,170.45	5,559.11
Add : Purchases	9,680.15	5,113.57
	14,850.60	10,672.68
Less : Inventory at the end of the year	5,271.42	4,259.06
Cost of Raw Materials, Components and Packing Materials consumed	9,579.18	6,413.62
Purchases of stock-in-trade	2,730.58	502.81
Changes in inventories of finished goods, Spares, work-in-progress and stock-in-trade.	1,316.48	1,690.22
Total	**4,047.06**	**2,193.03**

25. Employee benefits expense

Particulars	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Salaries and Wages	5,803.24	6,009.65
Contribution to provident and other funds	385.23	417.75
Staff Welfare Expenses	42.83	39.40
Total	**6,231.30**	**6,466.80**

26. Finance costs

Particulars	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Interest on bank overdrafts and loans	582.00	821.35
Interest on Lease Liabilities	27.06	46.67
Exchange differences regarded as an adjustment to borrowing costs	-	63.77
Other borrowing costs	28.82	14.25
Total	**637.88**	**946.04**

27. Depreciation and amortisation expense

Particulars	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Depreciation of property, plant and equipment	362.47	385.38
Depreciation of right of use assets	214.86	255.84
Amortisation of intangible assets	37.01	36.38
Total	**614.34**	**677.60**

28. Other expenses

Particulars	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Electricity Power and fuel	41.43	48.10
Rent	177.28	213.16
Repairs and Maintenance -		
Building	5.44	3.67
Machinery	4.49	2.97
Others	129.79	95.02
Insurance	195.49	147.60
Advertisement	648.19	301.25
Selling and Sales Promotion	3,304.10	1,851.89
Freight, Forwarding and Delivery	971.13	783.96
Wages to contractual workers	183.24	88.02
Payment to Auditors (Refer details Below)	25.50	30.75
Printing and Stationery	18.69	18.90
Communication cost	309.33	142.22
Travelling and Conveyance	89.91	86.88
Legal and Professional Fees	1,022.71	967.58
Vehicle Running Expenses	210.33	176.97
Rates and taxes, excluding taxes on income	31.33	35.71
Conference Expenses	4.74	8.57
Service Charges	5,112.22	3,155.98
Information Technology Expenses	1,459.97	1,043.70
Logistics Expenses	491.46	400.01
Other Establishment Expenses	667.92	844.42
Directors' Sitting Fees	8.70	-
Provision for Doubtful Debts / Advances	476.04	29.15
Total	**15,589.43**	**10,476.48**

Payments to auditors	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
As Statutory auditor		
For Audit fee (Includes limited review fees)	25.50	25.50
For other services	-	5.25
	25.50	**30.75**

29. Income tax recognised in statement of profit and loss

Particulars	Year ended June 30, 2021 ₹ in Lakhs	Year ended June 30, 2020 ₹ in Lakhs
Current tax		
In respect of the current year	550.00	-
In respect of prior years	-	-
	550.00	-
Deferred tax		
In respect of the current year	(81.14)	(34.94)
	(81.14)	(34.94)
Total income tax expense recognised in the current year	468.86	(34.94)

Independent Auditor's report

To the Members of Forbes & Company Limited
Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Forbes & Company Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive loss (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
(a) Revenue recognition for Real Estate Development Activities (Refer Notes 25 and 50 to the standalone financial statements) Consequent to the implementation of Ind-AS 115, effective April 1, 2018, there has been change in the Company's policy for revenue recognition in respect of its real estate development projects. The determination of the period over which revenue from real estate development activities should be recognized, the timing of transfer of control to the customer; and determination of whether the Company has an enforceable right to payment as per requirements of Ind-AS 115 involves significant judgement by the Management. Revenue recognition for real estate development activities is considered as a key audit matter considering significance of amounts involved along with related disclosures and involvement of management judgement in establishing the timing of transfer of control to the customer and enforceable right to payment for performance completed to date.	Our audit procedures included obtaining a listing of contracts with customers from the Management, and carrying out a combination of testing of internal financial controls with reference to financial statements for revenue recognition over real estate projects and test of details on a sample of transactions, which included: • 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 an understanding of the process and testing key controls followed by the management over revenue recognition for real estate development projects; • Evaluating existence and completeness of the list of contracts with customers, and examining the mathematical accuracy thereof; • Examining the terms of sales agreements, agreement value and other relevant details to validate revenue recognition during the year;

	• Examining possession letters issued to customers for certain sample transactions; • Obtaining evidence regarding the transfer of control considering criteria as per Ind-AS 115 and evaluating enforceability of payment for work completed to date for validating the timing of transfer of control to the customer; and • Testing the accuracy and completeness of disclosures in the standalone financial statements. Based on the above audit procedures performed, we did not come across any significant exceptions with regard to revenue recognition in respect of real estate development activities.
(b) Assessment of Provisions and Contingent Liabilities (Refer to Notes 19A and 39 to the standalone financial statements) As at March 31, 2021, in respect of certain direct and indirect tax matters and other litigations, the Company has recognised provisions aggregating ₹ 311.50 Lakhs and disclosed contingent liabilities aggregating ₹ 15,191.60 Lakhs. The Company undergoes assessment proceedings and related litigations with direct and indirect tax authorities and with certain other parties. There is a high level of management judgement required in estimating the probable outflow of economic resources and the level of provisioning and/or the disclosures required. The judgement of the management is supported by advice from independent tax and legal consultants, as considered necessary by the management. Any unexpected adverse outcomes could significantly impact the Company's reported profit and financial position. We considered the above area as the key audit matter due to associated uncertainty of the ultimate outcome and significant management judgement involved.	Our audit procedures included the following: • Understanding and evaluating the process and controls designed and implemented by the management including testing the operating effectiveness of the relevant controls; • Obtaining the details of the related matters, inspecting the supporting evidences and assessing management's evaluation through discussions with management on both the likelihood of outcome and the magnitude of potential outflow of economic resources; • Understanding the current status of the direct and indirect tax assessments/ litigations; • Reading recent orders and/ or communication received from the tax authorities and with certain other parties and management responses to such communication; • Where relevant, reading the most recent available independent tax / legal advice obtained by management and evaluating the grounds presented therein; • Evaluating independence, objectivity and competence of the management's tax / legal consultants; • Obtaining direct written confirmations from the Company's legal/ tax consultants (internal/ external) to confirm the status of the assessments as well as had direct discussion with them as and when required; • Together with the auditor's tax experts, assessed the likelihood of the potential financial exposures; • Assessing the adequacy of disclosure in the standalone financial statements. Based on the above procedures we did not identify any material exceptions relating to management's assessment of provisions and contingent liabilities.

Other Information

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

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

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

We have nothing to report in this regard.

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

11. 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.

12. 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.

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

    (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

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

        ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses and did not have any derivative contracts as at March 31, 2021;

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

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Sarah George
Partner
Membership Number: 045255
UDIN: 21045255AAAAJJ2587

Place: Mumbai
Date: June 25, 2021

Annexure A to Independent Auditors' Report
Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2021

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

1. We have audited the internal financial controls with reference to financial statements of Forbes & Company Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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. Also refer paragraph 4 of our main audit report.

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

Sarah George
Partner
Membership Number: 045255
UDIN: 21045255AAAAJJ2587

Place: Mumbai
Date: June 25, 2021

Annexure B to Independent Auditors' Report
Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Forbes & Company Limited on the standalone financial statements for the year ended March 31, 2021

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

(b) The Company has a policy of physical verification of fixed assets once in two years, pursuant to which, the fixed assets of the Company have not been physically verified by the Management during the current year. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, other than self-constructed properties, as disclosed in Note 5, 6 and 45 on fixed assets to the standalone financial statements, are held in the name of the Company, except in respect of the following:

Description of Property	**Gross Block (Cost)**	**Net Block (WDV)**	**Remarks**
Land and building in Mumbai and Delhi	19.08	6.96	Held in name of Gokak Patel Volkart Limited, 2nd erstwhile name of the Company. Includes Investment Properties costing ₹ 19.08 Lakhs and WDV- ₹ 6.96 Lakhs reflected under Note 6 – Investment Properties.
Lease rights for land and self-constructed building at Fort, Mumbai in the possession of the Company	1,129.42	356.83	The property is in the name of 'Forbes Forbes Campbell & Co. Limited' and the Company has made an application for renewal of lease, for which approval is awaited from authorities. Building cost - ₹ 976.95 Lakhs and WDV - ₹ 308.66 Lakhs reflected under Note 6 – Investment Properties and Building costing ₹ 152.47 Lakhs and WDV - ₹ 48.17 Lakhs are reflected in Note 5 – Property, Plant and Equipment.
Land, factory building and office premises at Mumbai, Thane, Ahmedabad, Bangalore and Chennai	1,624.95	1,562.92	The premises are in the name of Forbes Gokak Limited, the 3rd erstwhile name of the Company, (includes Building cost – ₹ 7.92 Lakhs and WDV - ₹ 3.56 Lakhs classified under Note 5 – Property, Plant & Equipment, Investment Properties costing ₹ 1,615.38 Lakhs, WDV - ₹ 1,558.70 Lakhs included in Note 6 and cost of ₹ 1.65 Lakhs, WDV – ₹ 0.66 Lakhs under 'Right-of-use assets' in Note 45 – Lease.
Premises at Chennai	40.76	-	This investment property is in the name of Facit Asia Limited, an entity merged with FAL Industries Limited (this entity was subsequently merged with Forbes Gokak Limited, the Company's 3rd erstwhile name).
Premises at Tuticorin	27.36	12.27	This investment property is in the name of Volkart India Limited, an entity merged with Patel Volkart Limited (which was subsequently amalgamated with Gokak Mills Limited, the Company's 1st erstwhile name).

ii. The physical verification of inventory (excluding stocks with third parties and real estate work-in-progress) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material. Further, real estate work-in-progress inventories (comprising of expenditure incurred on acquisition of development rights and other expenditure on construction and development thereof) have been physically verified by the management during the year by way of site visits and certification of extent of work completed by competent persons at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

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

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as at March 31, 2021, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income Tax	25.69	Financial Years 2000-01 and 2011-12	Commissioner of Income Tax (Appeals)
The Finance Act, 1994	Service Tax (including interest and penalty, as applicable)	2,293.35	Financial Years 2007-08 to 2012-13	Customs, Excise & Service Tax Appellate Tribunal
		1,038.89	Financial Year 2005-06 to 2012-13	Commissioner of Service Tax
The Customs Act, 1962	Penalty	1.00	Financial Year 2012-13	Commissioner (Appeals)
		100.00	Financial Year 2011-12	High Court of Kerala
The Central Excise Act, 1944	Excise Duty (including interest and penalty)	2,724.52	Financial Years 2005-06 and 2006-07	Customs, Excise & Service Tax Appellate Tribunal
Sales Tax Laws	Sales Tax (including interest and penalty, as applicable)	474.36	Financial Years 1990-91 to 1994-95, 1997-98 to 2006-07, 2008-09 to 2009-10, 2013 -14 and 2016-17.	Appellate Authority – up to Sales Tax Appellate Tribunal

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the Balance Sheet date. The Company neither has any loans or borrowings from any financial institutions or Government, nor has it issued any debentures as at the Balance Sheet date, therefore the provisions of Clause 3(viii) of the Order, to that extent, are not applicable to the Company.

Further, in view of the extension of time granted vide RBI/2019-20/186 and RBI/2019-20/244 dated March 27, 2020 and May 23, 2020 respectively for the payment of ₹ 1,500 Lakhs within June 1, 2020 to November 30, 2020, the Company has deposited the aforesaid dues within the extended due date as granted by Federal Bank in terms of the aforesaid notification of the Reserve Bank of India.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans has been applied on an overall basis for the purposes for which they were obtained. As the Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments), the provisions of Clause 3(ix) of the Order, to that extent, are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

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

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Sarah George
Partner
Membership Number: 045255
UDIN: 21045255AAAAJJ2587

Place: Mumbai
Date: June 25, 2021

BALANCE SHEET AS AT 31ST MARCH, 2021

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2021 ₹ in Lakhs	*As at 31st Mar., 2020 ₹ in Lakhs*
Assets					
1 Non-current assets					
Property, plant and equipment	**5**			**9,094.49**	*10,139.51*
Right-of-use assets	**45**			**212.65**	*358.95*
Capital work-in-progress	**5.1**			**197.85**	*115.47*
Investment Properties	**6**			**2,344.74**	*2,483.04*
Other Intangible assets	**7**			**165.02**	*222.42*
Intangible assets under development	**7.1**			**-**	*13.36*
Financial Assets:					
i) Investments					
Investments in subsidiaries	**8A**	16,683.55			*24,159.99*
Investments in associates	**8B**	5.88			*5.88*
Other Investments	**8C**	0.68			*0.68*
			16,690.11		*24,166.55*
ii) Loans	**10A**		174.88		*190.50*
iii) Other financial assets	**11A**		2.27		*1.61*
				16,867.26	*24,358.66*
Tax assets					
i) Deferred tax assets (net)	**20**		1,114.47		*5,116.59*
ii) Income tax assets (net)	**24**		1,496.02		*1,784.69*
				2,610.49	*6,901.28*
Other non-current assets	**14A**			**345.44**	*399.57*
Total Non-current assets				**31,837.94**	*44,992.26*
2 Current assets					
Inventories	**12**			**13,328.07**	*36,153.91*
Financial Assets:					
i) Trade receivables	**9**		3,452.11		*2,507.02*
ii) Cash and cash equivalents	**13A**		2,170.53		*190.59*
iii) Bank balances other than (ii) above	**13B**		259.52		*186.99*
iv) Loans	**10B**		2.62		*269.37*
v) Other financial assets	**11B**		907.24		*1,104.40*
				6,792.02	*4,258.37*
Other current assets	**14B**			**833.61**	*993.96*
				7,625.63	*5,252.33*
Asset classified as held for sale	**54**			**38.62**	*-*
Total Current assets				**20,992.32**	*41,406.24*
Total Assets				**52,830.26**	*86,398.50*

Particulars	Note No.	₹ in Lakhs		As at 31st Mar., 2021 ₹ in Lakhs	*As at 31st Mar., 2020 ₹ in Lakhs*
Equity and Liabilities					
Equity					
Equity share capital	**15**		1,289.86		*1,289.86*
Other equity	**16**		15,739.51		*18,875.86*
Total Equity				**17,029.37**	*20,165.72*
Liabilities					
1 Non-current liabilities					
Financial liabilities:					
i) Borrowings	**17**	5,823.57			*6,775.83*
ii) Lease liability	**45**	195.57			*284.88*
iii) Other financial liabilities	**18A**	154.00			*122.33*
			6,173.14		*7,183.04*
Provisions	**19A**		627.89		*634.56*
Total Non-current liabilities				**6,801.03**	*7,817.60*
2 Current liabilities					
Financial liabilities:					
i) Borrowings	**22**	3,765.43			*7,276.81*
ii) Trade payables	**23**				
a) total outstanding dues of micro enterprises and small enterprises; and		517.73			*402.46*
b) total outstanding dues of creditors other than micro enterprises and small enterprises		5,407.60			*4,809.76*
iii) Lease liability	**45**	17.75			*68.93*
iv) Other financial liabilities	**18B**	6,679.17			*5,947.57*
			16,387.68		*18,505.53*
Other current liabilities	**21**		12,083.91		*39,311.36*
Provisions	**19B**		452.20		*505.73*
Current tax liabilities (net)	**24**		76.07		*92.56*
Total Current Liabilities				**28,999.86**	*58,415.18*
Total Liabilities				**35,800.89**	*66,232.78*
Total Equity and Liabilities				**52,830.26**	*86,398.50*

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

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 25th June, 2021

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: 25th June, 2021

FORBES

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

	Particulars	Note No.	₹ in Lakhs	Year ended 31st Mar., 2021 ₹ in Lakhs	*Year ended 31st Mar., 2020 ₹ in Lakhs*
I	Revenue from operations	**25**	56,236.32		*19,488.00*
II	Other income	**26**	1,337.34		*752.53*
III	**Total Income (I + II)**			**57,573.66**	*20,240.53*
IV	**Expenses:**				
	Real estate development costs	**27**	4,602.38		*8,731.26*
	Cost of materials consumed	**28A**	5,760.87		*8,270.01*
	Purchases of stock-in-trade		84.05		*240.39*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**28B**	22,926.24		*(8,718.34)*
	Employee benefits expenses	**29**	4,237.72		*4,708.12*
	Finance costs	**30**	1,375.72		*1,184.27*
	Depreciation and amortisation expense	**31**	1,429.09		*1,210.41*
	Other expenses	**32A**	4,809.18		*6,674.08*
	Total expenses (IV)			**45,225.25**	*22,300.20*
V	**Profit / (Loss) before exceptional items and tax (III - IV)**			**12,348.41**	*(2,059.67)*
VI	Exceptional items (net)	**32B**		**(11,437.85)**	*(518.11)*
VII	**Profit / (Loss) before tax (V + VI)**			**910.56**	*(2,577.78)*
VIII	**Tax expense / (credit):**				
	(a) *Current tax (including MAT credit utilised Nil [Previous year ₹ 651.46 Lakhs])*	**33**	-		-
	(b) Deferred tax	**33**	4,013.39		*(122.60)*
				4,013.39	*(122.60)*
IX	**Profit /(Loss) for the year**			**(3,102.83)**	*(2,455.18)*
X	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to Statement of Profit and Loss				
	Remeasurement of the defined benefit plans			**(44.79)**	*(14.89)*
	(ii) Income tax relating to these items				
	Deferred tax			**(11.27)**	*(1.57)*
				(33.52)	*(13.32)*
XI	**Total Comprehensive Income/(Loss) for the year (IX + X)**			**(3,136.35)**	*(2,468.50)*
XII	**Earning per equity share :**				
	Basic and diluted earnings per equity share	**34**		**₹ (24.06)**	*₹ (19.03)*

Significant Accounting Policies **2**

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 25th June, 2021

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: 25th June, 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

	Year ended 31st Mar., 2021 ₹ in Lakhs		*Year ended 31st Mar., 2020 ₹ in Lakhs*	
Cash flows from operating activities				
Profit before tax		**910.56**		*(2,577.78)*
Adjustments for -				
Depreciation and amortisation expense	1,429.09		*1,210.41*	
Interest income earned on financial assets that are not designated as fair value through profit or loss :				
(i) Bank deposits	(19.46)		*(25.85)*	
(ii) Inter corporate deposit	(110.84)		*(32.08)*	
Interest on Income Tax/ Wealth Tax refund	(92.78)		*(193.17)*	
Finance costs	1,375.72		*1,184.27*	
Dividend Income from long-term investments	-		*(0.06)*	
Gain on disposal of property, plant and equipment	(754.80)		*(145.18)*	
Provision for doubtful trade receivables	12.43		*155.33*	
Provision for doubtful loans and advances	9.95		-	
Advances written off	3.94		-	
Gain on fair value / interest on long-term investments in subsidiaries	(175.29)		*(157.10)*	
Credit balances / excess provision written back	(46.31)		*(25.90)*	
Net unrealised exchange loss	2.60		*(5.63)*	
		1,634.25		*1,965.04*
Exceptional items:				
- Impairment of loans and interest accrued thereon	3,459.28		-	
- Impairment of the investment in subsidiary company	7,650.00		*1,216.29*	
- Impairment of financial assets in subsidiary company	328.57		-	
- Expected (inflow) for disputed matters	-		*(698.18)*	
		11,437.85		*518.11*
		13,072.10		*2,483.15*
Operating profit before working capital changes		**13,982.66**		*(94.63)*
Changes in working capital:				
(Increase)/ decrease in trade and other receivables	(1,080.08)		*1,361.01*	
(Increase)/ decrease in inventories	22,825.84		*(7,844.97)*	
(Increase)/ decrease in other assets	306.85		*(29.49)*	
Increase/ (decrease) in trade and other payables	893.98		*626.07*	
Increase/ (decrease) in provisions	(105.00)		*19.80*	
Increase/ (decrease) in other liabilities	(27,227.45)		*12,214.38*	
		(4,385.86)		*6,346.80*
Cash inflow / (outflow) from operations		**9,596.80**		*6,252.17*
Income taxes (paid)/ refunds received (net)		**272.18**		*(301.93)*
(a) Net cash flow inflow / (outflow) from operating activities		**9,868.98**		*5,950.24*
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)	(776.95)		*(5,020.99)*	
Proceeds from disposal of property, plant and equipment	839.00		*219.97*	
Purchase / subscription of long-term investments				
- in subsidiaries	-		*(1,000.00)*	
Proceeds from sale / capital reduction of long-term investments				
Inter Corporate Deposits given to related parties	(3,197.50)		*(2,262.00)*	
Loans and advances given to related parties realised	125.00		*2,002.00*	
Bank balances not considered as cash and cash equivalents	(73.19)		*(21.31)*	
Interest received	27.92		*43.61*	
Dividend received	-		*0.06*	
(b) Net cash (outflow) / inflow from investing activities		**(3,055.72)**		*(6,038.66)*

	Year ended 31st Mar., 2021 ₹ in Lakhs		*Year ended 31st Mar., 2020 ₹ in Lakhs*	
Cash flows from financing activities:				
Proceeds from long-term borrowings	3,269.74		*5,024.37*	
Repayment of long-term borrowings	(3,177.77)		*(5,467.90)*	
Net Increase in cash credit, overdraft balances, credit card facilities and commercial papers	(3,511.38)		*1,963.70*	
Finance costs paid	(1,345.66)		*(1,200.07)*	
Payment of Lease Liabilities	(66.91)		*(96.31)*	
Dividend paid on equity shares	(1.34)		*(636.40)*	
Tax on dividend	-		*(132.56)*	
(c) Net cash inflow / (outflow) from financing activities		**(4,833.32)**		*(545.17)*
(d) Net increase/ (decrease) in cash and cash equivalents (a + b + c)		**1,979.94**		*(633.59)*
(e) Cash and cash equivalents as at the commencement of the year		**190.59**		*824.18*
(f) Cash and cash equivalents as at the end of the year (d + e)		**2,170.53**		*190.59*

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., 2021 ₹ in Lakhs**	*31st Mar., 2020 ₹ in Lakhs*
Balances with bank		
- In current accounts	**2,017.47**	*150.93*
- In EEFC Accounts	**141.83**	*38.59*
Cheques, drafts on hand	**11.06**	-
Cash on hand	**0.17**	*1.07*
Balances as per statement of cash flows	**2,170.53**	*190.59*

Notes:

1. The above Cash Flow Statement has been prepared under the “”Indirect Method”” setout in Indian Accounting Standard - 7 on Statement of Cash Flows.
2. Previous year figures have been regrouped/ reclassified, wherever necessary to confirm to current year classification.
3. Other bank balances at the end of the year includes: (i) earmarked balances towards unpaid dividends ₹ 24.48 Lakhs *(Previous year ₹25.82 Lakhs)* and (ii) margin money deposits ₹ 235.04 Lakhs *(Previous year ₹ 159.11 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 ₹ Nil *(Previous year ₹ 252.79 Lakhs)* in respect of interest costs capitalised for property, plant and equipment in accordance with Ind AS 23 and interest expense on loans for real estate development activites amounting to ₹ 363.49 Lakhs *(Previous year ₹ 393.90 Lakhs)*.

The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 25th June, 2021

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: 25th June, 2021

Statement of changes in Equity for the year ended 31st March, 2021

a. Equity share capital

₹ in Lakhs

Particulars	Amount
Balance as at 31st March, 2019	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2020	**1,289.86**
Changes in equity share capital	-
Balance as at 31st March, 2021	**1,289.86**

b. Other equity

₹ in Lakhs

	Reserves and surplus			
Particulars	**General Reserves**	**Debenture redemption reserve**	**Retained earnings**	**Total**
Balance as at 31st March, 2019	**16,188.60**	**2,500.00**	**3,433.25**	**22,121.85**
Profit for the year	-	-	(2,455.18)	(2,455.18)
Other comprehensive income for the year, net of income tax	-	-	(13.32)	(13.32)
Total comprehensive income for the year	-	-	**(2,468.50)**	**(2,468.50)**
Transactions with owners in their capacity as owners				
Payment of dividends on equity shares	-	-	(644.93)	(644.93)
Dividend Distribution Tax	-	-	(132.56)	(132.56)
Total transactions with owners in their capacity as owners	-	-	**(777.49)**	**(777.49)**
Less:- Transfer to Retained earnings	-	(2,500.00)	-	(2,500.00)
Add: Transfer from Debenture Redemption Reserve	-	-	2,500.00	2,500.00
Balance as at 31st March, 2020	**16,188.60**	-	**2,687.26**	**18,875.86**
Profit for the year	-	-	(3,102.83)	(3,102.83)
Other comprehensive income for the year, net of income tax	-	-	(33.52)	(33.52)
Total comprehensive income for the year	-	-	**(3,136.35)**	**(3,136.35)**
Balance as at 31st March, 2021	**16,188.60**	-	**(449.09)**	**15,739.51**

Significant Accounting Policies, Refer Note 2
The accompanying notes form an integral part of the financial statements

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

Place: Mumbai
Date: 25th June, 2021

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

For and on behalf of the Board of Directors

M. C. TAHILYANI
Managing Director
DIN : 1423084

JAI L. MAVANI
Director
DIN : 05260191

Place: Mumbai
Date: 25th June, 2021

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021

1. GENERAL INFORMATION

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

2. SIGNIFICANT ACCOUNTING POLICIES

i) Statement of Compliance with Ind AS

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

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

ii) Basis of Preparation and Presentation

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

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

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

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

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

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

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

iii) Investments in subsidiaries, associates and joint ventures

Subsidiaries:

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

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

Associates:

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

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

Joint Arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights 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, 2021 - 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	30 - 60 years
b	Plant and Equipment	10 - 15 years
c	Furniture and Fixtures	10 years
d	Vehicles	4 years
e	Office equipment, Data processing equipments:-	
	- Owned	Office equipments 5 years and Data processing equipments 3 years.
	- Leased	Lower of lease term and useful life as stated above
f	Buildings on leasehold land (including investment properties)	Lower of the useful life in the range of 30 - 60 years and the lease term 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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

vii) Intangible Assets

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

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

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

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

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

viii) Intangible assets under development

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

ix) Impairment of Assets

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

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

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

xi) Financial instruments

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

Financial assets

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

Classification:

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

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

- 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, 2021 - 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 receipts (including all fees and amounts that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

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

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

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

Impairment of financial assets

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

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

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or

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

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

Foreign exchange gains and losses

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

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

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

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

Derecognition of financial liabilities

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

Derivative financial instruments

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

Offsetting financial instruments

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

Financial guarantee contracts

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

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

xii) Inventories

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

Real estate development work-in-progress :-

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

xiii) Earnings per share

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

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

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

xiv) Employee Benefits

a) Short-term employee benefits

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

b) Other long-term employee benefits

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

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

c) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined Contribution Plans

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

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

Defined Benefit Plans

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

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

The Company's liability towards gratuity, which is a defined benefit plan, is determined on the basis of valuations, as at Balance Sheet date, carried out by an independent actuary using Projected Unit Credit Method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

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

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

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

xv) Provisions and Contingent Liabilities

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

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

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

Onerous Contracts

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

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made, unless the possibility of outflows of resources embodying economic benefits are remote.

xvi) Revenue recognition

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

1 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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

b) The Company recognises the incremental costs of obtaining a contract as an expense when incurred

c) No information on remaining performance obligations as of the year end that have an expected original term of one year or less was reported.

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

2 Sale of Services:

Income from other services is recognised as and when the services are performed as per the terms of agreement with the respective parties.

3 Interest and Dividend Income:

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

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

4 Export Incentives:

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

xvii) Revenue from real estate contracts:

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

a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs

b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced

c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date

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

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

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

xviii) Foreign currency transactions and balances

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

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

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

xix) Lease accounting

As a lessee:

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

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

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

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

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

As a lessor:

Lease income from operating leases where the Company is a lessor is recognized in income on a straight line basis over the lease term. Initial direct costs incurred in obtaining an operating leases are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

xx) Taxes on Income

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

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

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

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

xxi) Government grants

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

xxii) Borrowing Costs

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

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

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

xxiii) Segment Reporting

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

xxiv) Non-current assets held for sale

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

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

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

xxv) Cash and cash equivalents

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

xxvi) Principles of business combinations

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

xxvii) Dividend

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

xxviii) Exceptional Items

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3.1 Critical judgements in applying accounting policies

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

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

3.2 Key sources of estimation uncertainty

3.2.1 Real Estate Development

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

3.2.2 Contingent Liabilities and Provisions

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

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

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

3.2.4 Fair value measurement and valuation process

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

3.2.5 Impairment

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

3.2.6 Impairment of Trade Receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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 ACCOUNTING STANDARDS

The Company has applied following amendments to Ind AS for the first time effective April 1, 2020.

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of Business – amendments to Ind AS 103
- Covid-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reforms – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognized in prior periods or current period.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

5A. Property, plant and equipment (Own, unless otherwise stated) for the year ended 31st March, 2021.

₹ In Lakhs

	Freehold Land	Building and structures	Vehicles	Data processing equipments	Office equipments	Furniture and fixtures	Plant and equipment	Data processing equipments (Finance Lease)	As at 31st Mar., 2021
Cost or Deemed cost									
Balance at 1st April, 2020	**38.62**	**4,550.24**	**61.18**	**174.67**	**199.97**	**197.54**	**8,211.82**	**1.02**	**13,435.06**
Additions	-	19.16	-	1.94	1.07	-	220.66	-	242.83
Disposals	-	-	-	0.20	11.99	0.57	52.88	-	65.64
Reclassified as held for sale	38.62	-	-	-	-	-	-	-	38.62
Balance at 31st March, 2021	**-**	**4,569.40**	**61.18**	**176.41**	**189.05**	**196.97**	**8,379.60**	**1.02**	**13,573.63**
Accumulated depreciation									
Balance at 1st April, 2020	**-**	**538.35**	**33.54**	**88.42**	**164.80**	**126.73**	**2,342.69**	**1.02**	**3,295.55**
Eliminated on disposals of assets	-	-	-	0.12	11.98	0.57	42.47	-	55.14
Depreciation expense for the year	-	296.52	12.13	38.44	20.50	20.00	851.14	-	1,238.73
Balance at 31st March, 2021	**-**	**834.87**	**45.67**	**126.74**	**173.32**	**146.16**	**3,151.36**	**1.02**	**4,479.14**
Carrying Amount									
Balance at 31st March, 2021	**-**	**3,734.53**	**15.51**	**49.67**	**15.73**	**50.81**	**5,228.24**	**-**	**9,094.49**

Notes:

1. Plant and equipment includes assets that are jointly owned having carrying amount of Nil.

5B. *Property, plant and equipment (Own, unless otherwise stated) for the previous year ended 31st March, 2020.*

₹ In Lakhs

	Freehold Land	*Building and structures*	*Vehicles*	*Data processing equipments*	*Office equipments*	*Furniture and fixtures*	*Plant and equipment*	*Data processing equipments (Finance Lease)*	*As at 31st Mar., 2020*
Cost or Deemed cost									
Balance at 1st April, 2019	*38.62*	*1,219.75*	*45.18*	*98.75*	*241.52*	*170.84*	*5,932.48*	*1.02*	*7,748.16*
Additions	*-*	*3,556.98*	*24.92*	*76.30*	*9.97*	*47.04*	*2,359.20*	*-*	*6,074.41*
Disposals	*-*	*226.49*	*8.92*	*0.38*	*51.52*	*20.34*	*79.86*	*-*	*387.51*
Balance at 31st March, 2020	*38.62*	*4,550.24*	*61.18*	*174.67*	*199.97*	*197.54*	*8,211.82*	*1.02*	*13,435.06*
Accumulated depreciation									
Balance at 1st April, 2019	*-*	*535.24*	*28.87*	*61.50*	*186.72*	*125.74*	*1,718.21*	*1.02*	*2,657.30*
Eliminated on disposals of assets	*-*	*191.04*	*8.92*	*0.38*	*51.52*	*20.14*	*79.61*	*-*	*351.61*
Depreciation expense for the year	*-*	*194.15*	*13.59*	*27.30*	*29.60*	*21.13*	*704.09*	*-*	*989.86*
Balance at 31st March, 2020	*-*	*538.35*	*33.54*	*88.42*	*164.80*	*126.73*	*2,342.69*	*1.02*	*3,295.55*
Carrying Amount									
Balance at 31st March, 2020	*38.62*	*4,011.89*	*27.64*	*86.25*	*35.17*	*70.81*	*5,869.13*	*-*	*10,139.51*

Notes:

1. *Plant and equipment includes assets that are jointly owned having carrying amount of ₹ 0.32 Lakhs.*

5.1 Capital work-in-progress

₹ In Lakhs

Particulars	**As at 1st Apr., 2020**	**Additions**	**Amounts Capitalised**	**As at 31st Mar., 2021**
Capital work in progress	**115.47**	325.21	242.83	**197.85**

Previous year

Particulars	*As at 1st Apr., 2019*	*Additions*	*Amounts Capitalised*	*As at 31st Mar., 2020*
Capital work in progress	*409.79*	*5,780.09*	*6,074.41*	*115.47*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

6. Investment properties (Own, unless otherwise stated)

₹ In Lakhs

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Completed investment properties	2,344.74	*2,483.04*
Total	**2,344.74**	*2,483.04*

Cost or Deemed Cost		
Balance at 1st April, 2020 / 1st April, 2019	**2,830.80**	*2,845.28*
Disposals	109.85	*14.48*
Balance at 31st March, 2021 / 31st March, 2020	**2,720.95**	*2,830.80*

Accumulated depreciation		
Balance at 1st April, 2020 / 1st April, 2019	**347.76**	*285.16*
Disposals	36.16	*3.11*
Depreciation expense for the year	64.61	*65.71*
Balance at 31st March, 2021 / 31st March, 2020	**376.21**	*347.76*

Carrying amount		
Balance at 31st March, 2021 / 31st March, 2020	**2,344.74**	*2,483.04*

Notes:

(i) Investment properties include premises on freehold land where the Company is yet to be registered as the owner of a proportionate share in the land with carrying amount Nil *(Previous year ₹ 16.76 Lakhs)*, Jointly owned Residential Premises and Land with carrying amount ₹1,551.68 Lakhs *(Previous year ₹ 1,551.85 Lakhs)* and Shares in Co-operative Housing Societies, Association of apartment owners and in a company ₹ 0.17 Lakh *(Previous year ₹ 0.17 Lakh)*.

(ii) Investment properties includes the rights in respect of the land and building at Fort, Mumbai with net carrying value of ₹ 308.66 Lakhs *(Previous year ₹ 347.24 Lakhs)* of which ₹ 48.17 Lakhs *(Previous year ₹ 54.19 Lakhs)* has been disclosed under property, plant and equipment (Refer Note 5) for which the Company has made an application for renewal of lease and approval from authorities awaited thereon.

6.1 Fair value measurement of the Company's investment properties

The fair value of the Company's investment properties as at 31st March, 2021 and 31st March, 2020 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, 2021 and 31st March, 2020 are as follows:

₹ In Lakhs

	Level 3	
Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Andhra Pradesh - Land	**28.51**	*28.51*
Delhi - Building	**187.45**	*193.16*
Gujarat - Land and Building	**501.74**	*515.24*
Kerala - Building	**180.00**	*185.00*
Maharashtra - Land and Building	**60,788.96**	*62,550.12*
Tamil Nadu - Land and Building	**270.77**	*883.64*
West Bengal - Building	**625.75**	*654.39*
Total	**62,583.18**	*65,010.06*

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

₹ In Lakhs

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
	Software / Licences acquired	*Software / Licences acquired*
Cost or Deemed cost		
Balance at 1st April, 2020 / 1st April, 2019	**454.42**	*383.18*
Additions during the year	14.80	*71.24*
Balance at 31st March, 2021 / 31st March, 2020	**469.22**	*454.42*
Accumulated amortisation		
Balance at 1st April, 2020 / 1st April, 2019	**232.00**	*158.45*
Amortisation charge for the year	72.20	*73.55*
Balance at 31st March, 2021 / 31st March, 2020	**304.20**	*232.00*
Carrying Amount		
Balance at 31st March, 2021 / 31st March, 2020	**165.02**	*222.42*

7.1 Intangible assets under development

₹ In Lakhs

Particulars	**As at 1st Apr., 2020**	**Additions**	**Amounts Capitalised**	**Amounts written off**	**As at 31st Mar., 2021**
Intangible asset under development	**13.36**	1.45	14.81	-	**-**

Previous year

Particulars	*As at 1st Apr., 2019*	*Additions*	*Amounts Capitalised*	*Amounts written off*	*As at 31st Mar., 2020*
Intangible asset under development	*23.09*	*84.60*	*71.24*	*23.09*	*13.36*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

8. Non Current Investments

8A. Investments in Subsidiaries

₹ In Lakhs

Particulars	As at 31st Mar., 2021 Qty	As at 31st Mar., 2021 Amount	*As at 31st Mar., 2020 Qty*	*As at 31st Mar., 2020 Amount*
Unquoted Investments (all fully paid)				
a) Equity Instruments (at cost less impairment)				
1. Equity shares of ₹ 100 each in Volkart Fleming Shipping and Services Limited	**50,385**	**6.82**	*50,385*	*6.82*
2. Equity shares of ₹ 10 each in Forbes Campbell Finance Limited	**38,64,131**	**1,781.78**	*38,64,131*	*1,781.78*
3. Equity component in 0.1% Optionally Convertible Redeemable Debentures of Forbes Campbell Finance Limited	**-**	**1,686.26**	*-*	*1,686.26*
4. Equity shares of ₹ 10 each in Eureka Forbes Limited	**37,78,000**	**6,572.86**	*37,78,000*	*6,572.86*
5. Equity shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 3 below and Note 52)	**2,50,00,000**	**-**	*2,50,00,000*	*2,250.00*
[Provision for impairment in value ₹ 2,500.00 Lakhs; *(Previous year ₹ 250.00 Lakhs)*]				
6. Equity shares of ₹ 10 each in Campbell Properties & Hospitality Services Limited	**4,87,500**	**180.00**	*4,87,500*	*180.00*
7. Equity shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited (Refer Notes 1 and 5 below)	**2,05,00,000**	**2,050.00**	*2,05,00,000*	*2,050.00*
8. Equity component in Zero Percent Redeemable Preference Shares of Shapoorji Pallonji Forbes Shipping Limited	**-**	**2,770.17**	*-*	*2,770.17*
9. Equity component in Financial Guarantee given to Forbes Technosys Limited (Refer Note 52)	**-**	**-**	*-*	*-*
[Provision for impairment in value ₹ 350.78 Lakhs; *(Previous year ₹ 350.78 Lakhs)*]				
10. 10% Optionally Redeemable compulsorily Convertible, Non cumulative Preference Shares of ₹ 10 each in Forbes Technosys Limited (Refer Note 52)	**6,00,00,000**	**-**	*6,00,00,000*	*5,400.01*
[Provision for impairment in value ₹ 6,015.51 Lakhs; *(Previous year ₹ 615.51 Lakhs)*]				
11. Equity component in Financial Guarantee given to Shapoorji Pallonji Forbes Shipping Limited	**-**	**1.29**	*-*	*1.29*
b) Preference Shares (at amortised cost)				
1. Zero Percent Redeemable Preference Shares of ₹ 10 each in Shapoorji Pallonji Forbes Shipping Limited	**3,09,00,000**	**1,138.24**	*3,09,00,000*	*1,016.29*
c) Debentures (at fair value through profit or loss)				
1. 0.1% Optionally Convertible Redeemable Debentures of ₹ 10 each in Forbes Campbell Finance Limited	**1,72,67,500**	**496.13**	*1,72,67,500*	*444.51*
Total		**16,683.55**		*24,159.99*

8B. Investments in associates

₹ In Lakhs

Particulars	As at 31st Mar., 2021 Qty	As at 31st Mar., 2021 Amount	*As at 31st Mar., 2020 Qty*	*As at 31st Mar., 2020 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., 2021 Qty	As at 31st Mar., 2021 Amount	*As at 31st Mar., 2020 Qty*	*As at 31st Mar., 2020 Amount*
Unquoted Investments (all fully paid)				
Equity Instruments (at fair value through Profit or Loss)				
1. Equity shares of ₹ 10 each in New India Co-operative Bank Limited	**5,500**	**0.55**	*5,500*	*0.55*
2. Equity shares of ₹ 500 each in Tuticorin Chamber of Commerce	**10**	**0.00** *	*10*	*0.00* *
[Provision for impairment in value ₹ 0.05 Lakhs; *(Previous year ₹ 0.05 Lakhs)*]				
3. Equity Shares of ₹ 10 each in Simar Port Private Limited	**1,000**	**0.10**	*1,000*	*0.10*
4. Equity shares of ₹ 10 each in The Svadeshi Mills Company Limited	**4,20,170**	**0.00** *	*4,20,170*	*0.00* *
[Provision for impairment in value ₹150.33 Lakhs; *(Previous year ₹150.33 Lakhs)*] (Refer Note 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		**0.68**		*0.68*

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Notes:

1. During one of the earlier years 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.

3. The Board vide resolution dated 9th August, 2019 accorded its approval to subscribe to 1,00,00,000 equity shares of ₹10 each of Forbes Technosys Limited, subsidiary of the Company, at a price of ₹ 10 per share. Accordingly the Company has invested ₹1,000.00 Lakhs in Forbes Technosys Limited during the previous year.

4. Edumetry Inc., USA, a foreign joint venture of the Company has been dissolved vide Certificate of Dissolution dated 28th October, 2015 issued by the State of Delaware. Consequently, the Company does not have any significant influence or control over Edumetry Inc. as on date. Accordingly, this entity is no longer a related party for the Company. The Company has made full provision for these investments in earlier years.

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

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

₹ In Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Financial assets carried at fair value through profit or loss		
Equity Instruments	**0.68**	*0.68*
Debentures	**496.13**	*444.51*
	496.81	*445.19*
Financial assets carried at cost less impairment		
Equity components in preference shares / debentures	**4,456.43**	*4,456.43*
Equity components in financial guarantee	**1.29**	*1.29*
Preference shares classified as equity	**-**	*5,400.01*
Equity shares (Unquoted)	**10,597.34**	*12,847.34*
	15,055.06	*22,705.07*
Financial assets carried at amortised cost		
Preference shares	**1,138.24**	*1,016.29*
	1,138.24	*1,016.29*
Total	**16,690.11**	*24,166.55*

Note:

Aggregate amount of unquoted investments (net of impairment)	**16,690.11**	*24,166.55*
Aggregate amount of impairment in value of investments	**9,323.41**	*1,673.41*

9. Trade receivables

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Trade receivables		
a) Secured, considered good	**136.67**	*76.88*
b) Unsecured, considered good	**3,315.44**	*2,430.14*
c) Doubtful	**1,092.21**	*1,002.14*
	4,544.32	*3,509.16*
Less: Allowance for doubtful debts (expected credit loss allowance)	**1,092.21**	*1,002.14*
Total	**3,452.11**	*2,507.02*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

9.1 Trade receivables

Debts due by private companies in which a director is a director / member (₹ in Lakhs) (Refer Note 40)	**49.33**	*24.91*
Less : Allowance for doubtful debts (expected credit loss allowance)	**10.18**	*10.18*
Net Debts	**39.15**	*14.73*

For trade receivables from related parties (Refer Note 40).

The average credit period on sales is approximately 70 days *(Previous year 75 days)*. No interest is charged on trade receivables overdue.

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

Expected credit loss for trade receivables for the year ended 31st March, 2021

Ageing	**Not Due**	**0-90**	**91-180**	**181-365**	**Above 365**	**Total**
Gross carrying amount	2,729.62	576.10	70.51	103.08	1,065.01	4,544.32
Expected credit losses (loss allowance provision)	0.94	0.62	9.61	17.04	1,064.00	1,092.21
Carrying amount of trade receivable (net of impairment)	**2,728.68**	**575.48**	**60.90**	**86.04**	**1.01**	**3,452.11**

Expected credit loss for trade receivables for the year ended 31st March, 2020

Particulars	*Not Due*	*0-90*	*91-180*	*181-365*	*Above 365*	*Total*
Gross carrying amount	*1,063.78*	*1,009.21*	*208.01*	*300.59*	*927.57*	*3,509.16*
Expected credit losses	*0.17*	*0.41*	*35.21*	*51.06*	*915.29*	*1,002.14*
Carrying amount of trade receivable (net of impairment)	*1,063.61*	*1,008.80*	*172.80*	*249.53*	*12.28*	*2,507.02*

Movement in the allowance for doubtful debts

₹ in Lakhs

Particulars	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Opening balance	**1,002.14**	*851.57*
Expected credit losses recognised on receivables	**178.11**	*199.48*
Amounts written off during the year as uncollectible	**(22.26)**	*(4.76)*
Amounts recovered during the year	**(65.78)**	*(44.15)*
Balance at end of the year	**1,092.21**	*1,002.14*

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 ₹ 1,092.21 Lakhs *(Previous year ₹ 1,002.14 Lakhs)* were impaired. The individually impaired receivables were mainly due to unexpected difficult economic situations.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

10. Loans

10A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Security deposits		
- Unsecured, considered good	**174.88**	*190.50*
- Unsecured, considered doubtful	**11.95**	*9.80*
Less : Allowance for bad and doubtful loans	**11.95**	*9.80*
Total (a)	**174.88**	*190.50*
b) Loans to others		
Secured, considered doubtful (Refer Notes 43 and 44)	**4,391.78**	*4,391.78*
Less : Allowance for bad and doubtful loans	**4,391.78**	*4,391.78*
Total (b)	**-**	*-*
Total (a+b)	**174.88**	*190.50*

10B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Loans to related parties		
- Unsecured, considered good	**-**	*260.00*
- Unsecured, considered doubtful (Refer Notes 32B and 52)	**3,332.50**	*-*
Less : Allowance for bad and doubtful loans	**3,332.50**	*-*
Total (a)	**-**	*260.00*
b) Loans and advances to employees		
- Unsecured, considered good	**1.52**	*7.68*
Total (b)	**1.52**	*7.68*
c) Security deposits		
Unsecured, considered good	**1.10**	*1.69*
Total (c)	**1.10**	*1.69*
d) 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 (d)	**-**	*-*
Total (a+b+c+d)	**2.62**	*269.37*

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., 2021	*Year ended 31st Mar., 2020*
Balance at beginning of the year	**4,776.58**	*5,144.70*
Amounts provided for / (reversed) during the year	**3,690.10**	*(368.12)*
Balance at end of the year	**8,466.68**	*4,776.58*

11. Other financial assets

11A. Non current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balance held as margin money with banks with remaining maturity period of more than 12 months		
-Unsecured, considered good	**2.27**	*1.61*
Total	**2.27**	*1.61*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

11B. Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
a) Accruals:		
i) Interest accrued on deposits with bank	**0.79**	*0.80*
ii) Interest accrued on investments (Refer Note 40)	**0.69**	*0.77*
iii) Interest accrued on loans, considered good (Refer Note 40)	**-**	*24.31*
iv) Interest accrued on loans, considered doubtful (Refer Note 40 and Note 52)	**126.78**	*-*
Less : Allowance for doubtful interest	**126.78**	*-*
Total (a)	**1.48**	*25.88*
b) Contractually reimbursable expenses from related parties		
- Unsecured, considered good	**123.30**	*333.40*
- Doubtful (Refer Note 40 and Note 52)	**228.67**	*-*
Less : Allowance for doubtful debts	**228.67**	*-*
Total (b)	**123.30**	*333.40*
c) Other current receivables		
Unsecured, considered good (Refer Note 44)	**782.46**	*745.12*
Total (c)	**782.46**	*745.12*
Total (a+b+c)	**907.24**	*1,104.40*

12. Inventories

₹ in Lakhs

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Inventories (lower of cost and net realisable value)		
Raw materials including packing materials [In transit ₹ 44.05 Lakhs; *(Previous year ₹ 181.35 Lakhs)*]	**961.61**	*891.42*
Work-in-progress	**590.45**	*805.96*
Finished goods [In transit ₹ 332.58 Lakhs; *(Previous year ₹ 159.86 Lakhs)*]	**1,002.70**	*1,083.26*
Stock-in-trade	**21.26**	*120.44*
Stores and spares	**247.47**	*217.26*
Real estate work-in-progress (Refer Note 50)	**10,504.58**	*33,035.57*
Total	**13,328.07**	*36,153.91*

Note:
The cost of inventories recognised as an expense includes ₹ 284.47 Lakhs *(Previous year ₹ 1,016.95 Lakhs)* in respect of write-downs / (reversal of write down) to net realisable value respectively.

13.
13A. Cash and cash equivalents

₹ in Lakhs

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Balances with Banks		
a) In Current Accounts	**2,017.47**	*150.93*
b) In EEFC Account [USD 1,87,615.91; *(Previous year USD 51,582.99)* and EUR 5,012.70; *(Previous year EUR Nil)*]	**141.83**	*38.59*
	2,159.30	*189.52*
Cheques on hand	**11.06**	*-*
Cash on hand	**0.17**	*1.07*
Total	**2,170.53**	*190.59*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

13B. Other Bank balances

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Earmarked balance with the banks:		
- Unpaid dividends	**24.48**	*25.82*
b) Balances held as margin money / under lien with remaining maturity of less than 12 months	**235.04**	*161.17*
Total	**259.52**	*186.99*

14. Other assets

14A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Capital Advances	**113.31**	*113.71*
b) Prepaid expenses	**56.24**	*77.71*
c) Balances with government authorities		
-Unsecured, considered good	**125.95**	*115.89*
-Doubtful	**98.49**	*98.49*
Less : Allowance for doubtful balances	**98.49**	*98.49*
	125.95	*115.89*
d) Advance wealth tax	**49.94**	*92.26*
Total	**345.44**	*399.57*

14B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Advances for supply of goods and services		
-Unsecured, considered good	**193.28**	*180.92*
-Doubtful	**14.89**	*7.09*
Less : Allowance for doubtful advances	**14.89**	*7.09*
	193.28	*180.92*
b) Prepaid expenses	**408.23**	*331.19*
c) Balances with government authorities	**70.91**	*372.30*
d) Export incentives receivables	**161.19**	*105.05*
e) Others	**-**	*4.50*
Total	**833.61**	*993.96*

15. Equity share capital

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Authorised Share capital :		
1,50,00,000 fully paid equity shares of ₹ 10 each	**1,500.00**	*1,500.00*
Issued, subscribed and paid-up share capital:		
1,28,98,616 fully paid equity shares of ₹ 10 each *(Previous year 1,28,98,616)*	**1,289.86**	*1,289.86*
	1,289.86	*1,289.86*

Notes:

1 Fully paid equity shares

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

Rights, preferences and restrictions attached to equity shares

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

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

	Fully paid ordinary shares	
Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Shapoorji Pallonji and Company Private Limited, the holding company	**93,59,293**	*93,59,293*
Forbes Campbell Finance Limited, subsidiary of the company	**1,66,398**	*1,66,398*
Total	**95,25,691**	*95,25,691*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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

Particulars	As at 31st Mar., 2021		*As at 31st Mar., 2020*	
	Number of shares held	**% holding in the class of shares**	*Number of shares held*	*% holding in the class of shares*
Fully paid equity shares				
Shapoorji Pallonji and Company Private Limited	**93,59,293**	**72.56**	*93,59,293*	*72.56*
India Discovery Fund Limited	**11,48,255**	**8.90**	*11,48,255*	*8.90*
Total	**1,05,07,548**	**81.46**	*1,05,07,548*	*81.46*

4 The Company has not 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.

16. Other equity

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) General reserve		
Balance as at the year end	**16,188.60**	*16,188.60*
b) Debenture redemption reserve (Refer Note 1 below)		
Balance at beginning of the year	-	*2,500.00*
Less:- Transfer to Retained earnings	-	*(2,500.00)*
Balance as at the year end	-	-
c) Retained earnings		
Balance at beginning of the year	**2,687.26**	*3,433.25*
Profit for the year	**(3,102.83)**	*(2,455.18)*
Other comprehensive income	**(33.52)**	*(13.32)*
Add: Transfer from Debenture Redemption Reserve (Refer Note 1 below)	-	*2,500.00*
Payment of dividends on equity shares	-	*(644.93)*
Dividend distribution tax	-	*(132.56)*
Balance at end of the year	**(449.09)**	*2,687.26*
Total	**15,739.51**	*18,875.86*

Note 1: The Company had Redeemable Non-convertible Debentures which have been repaid in the previous year ended 31st March, 2020 and consequently the Debenture Redemption Reserve created in past years has been transferred to Retained Earnings.

₹ in Lakhs

	31st Mar., 2021	*31st Mar., 2020*
(i) Equity shares		
Dividend for the year 31st March, 2020 of ₹ NIL per equity share *(Previous year: dividend of ₹ 2.50 and an additional Special Centenary Year Dividend of ₹ 2.50 per equity share)* per fully paid share had been proposed by the directors in their meeting held on 25th July, 2020 *(Previous year: 30th May, 2019)* which has been approved by share holders at the Annual General Meeting held on 28th September, 2020 *(Previous year: 26th August, 2019).*	-	*644.93*
Dividend distribution tax paid	-	*132.56*
(ii) Proposed dividend		
Dividend not recognised at the end of reporting year		
In addition to the above dividends, since year end, the board of directors have recommended the payment of a dividend of ₹ Nil per equity share for the year ended 31st March, 2021 *(Previous year dividend of ₹ Nil per equity share)*. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	-
Dividend Distribution Tax on proposed dividend	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

17. Non-current Borrowings

₹ in Lakhs

Particulars	Non-current portion		Current maturities	
	As at 31st Mar., 2021	*As at 31st Mar., 2020*	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Secured – at amortised cost				
(a) Term loans				
From banks				
i) Federal Bank - Secured by first charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [Repayable in 8 quaterly installments, after a moratorium period of 12 months. First installment is due in November 2019 and last installment is due in Feb 2022 (Includes an interim moratorium period of 6 months availed by the Company during the year on account of Covid-19 Pandemic). Rate of interest is MCLR + 0.5% spread]	**-**	*1,997.14*	**3,498.65**	*3,000.00*
ii) DCB Bank Limited Term Loan - under the Central Government launched Emergency Credit Line Guarantee Scheme 2.0 (ECLGS 2.0) - Secured by second charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad. (Refer Note 49). [Repayable in 48 equated monthly installments, after moratorium of 12 months. First installment is due on 4th April, 2022 and last installment is due on 4th March, 2026. Rate of interest is MCLR + 0.81% spread with a cap of 9.25% p.a. during entire tenure of the loan]	**975.00**	*-*	**-**	*-*
iii) Zoroastrian Bank - Secured by an exclusive charge by way of hypothecation of certain investment properties of the Company (Refer Note 49). [Repayable in 30 monthly installments after a moratorium period of 6 months. First installment is due in July 2019 and last installment is due in January, 2022. Rate of interest is 9.50% p.a.]	**-**	*554.32*	**554.96**	*677.77*
iv) DCB Bank Limited Term Loan - Secured by first Pari-passu charge on leasehold land and factory building together with Plant & Machinery and other support facilities situated at Waluj, MIDC, Aurangabad.(Refer Note 49). [Repayable as per the repayment schedule agreed with the bank. First installment is due in 31st October, 2020 and last installment is due in 30th April, 2024. Rate of interest in the range of 9.90% p.a. to 10.45% p.a.]	**2,918.10**	*4,224.37*	**1,400.00**	*800.00*
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 (Refer Note 49). [Repayable in 48 equated monthly installments, after a moratorium period of 12 months. First installment is due on 31st January, 2022 and last installment is due on 2nd February, 2026. Rate of interest is Repo rate + 5.25% spread p.a.]	**1,930.47**	*-*	**70.53**	*-*
	5,823.57	*6,775.83*	**5,524.14**	*4,477.77*
Less: Amount disclosed under “Other current financial liabilities”	**-**	*-*	**(5,524.14)**	*(4,477.77)*
Total	**5,823.57**	*6,775.83*	**-**	*-*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

18. Other financial liabilities

18A. Non Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Security deposits	**154.00**	*122.33*
Total	**154.00**	*122.33*

18B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Current maturities of long term borrowings	**5,524.14**	*4,477.77*
b) Interest accrued but not due on borrowings	**11.88**	*9.99*
c) Unpaid dividends **	**24.48**	*25.82*
d) Others :-		
- Payables on purchase of fixed assets	**86.06**	*536.77*
- Security deposits	**964.07**	*844.20*
- Other Payables	**68.54**	*53.02*
Total	**6,679.17**	*5,947.57*

**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., 2021	*As at 31st Mar., 2020*
a) **Employee benefits**		
Gratuity (Refer Note 35)	**58.17**	*61.87*
Other post retirement benefits (Refer Note 35)	**258.22**	*261.19*
b) **Other Provisions** (Refer Note 1 below)	**311.50**	*311.50*
Total (a+b)	**627.89**	*634.56*

19B. Current

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Employee benefits		
Compensated absences	**306.93**	*340.09*
Gratuity (Refer Note 35)	**101.79**	*122.16*
Other post retirement benefits (Refer Note 35)	**43.48**	*43.48*
Total	**452.20**	*505.73*

Note : 1

Other Provisions

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Balance at the beginning of the year	**311.50**	*277.98*
Add: Provisions made during the year (Refer Note 44)	**-**	*46.00*
Less: Utilisation / reversal during the year	**-**	*12.48*
Balance at the end of the year	**311.50**	*311.50*

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

20. Deferred tax balances

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

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Deferred tax assets	**1,818.97**	*6,020.52*
Deferred tax liabilities	**(704.50)**	*(903.93)*
Net	**1,114.47**	*5,116.59*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Current Year (2020-21)

₹ in Lakhs

Particulars	**Opening balance**	**Recognised in Statement of Profit and Loss**	**Recognised in Other Comprehensive Income**	**Closing balance**
Deferred tax (liabilities)/assets in relation to:				
a) Property, plant and equipment	(800.90)	150.09	-	(650.81)
b) Right of Use Assets	(103.03)	49.34	-	(53.69)
c) Lease Liability	97.79	(44.27)	-	53.52
d) Allowances for doubtful debts and advances	285.82	43.66	-	329.48
e) Defined benefit obligation	53.59	(24.60)	11.27	40.26
f) Provisions and liabilities to be allowed on payment basis	108.79	(12.72)	-	96.07
g) Voluntary Retirement Scheme	21.43	(21.43)	-	-
h) Tax losses	-	477.46	-	477.46
i) Others (MAT Credit)	551.94	(551.94)	-	-
j) Profits from Real Estate Business (Refer Note 50)	4,901.16	(4,078.98)	-	822.18
Total	**5,116.59**	**(4,013.39)**	**11.27**	**1,114.47**

During the year ended 31st March, 2021, the Company has decided to exercise the option prescribed in Section 115 BAA of the Income Tax Act, 1961 and to pay tax at a lower rate while computing the tax expense for the current financial year. Accordingly, deferred tax asset has been remeasured at the lower rate and deferred tax asset on MAT credit has been expensed out in the current year.

Previous Year (2019-20)

₹ in Lakhs

Particulars	*Opening balance*	*Adjustment on adoption of Ind AS 116*	*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	*(763.97)*	*-*	*(36.93)*	*-*	*(800.90)*
b) Right of Use Assets	*-*	*(98.34)*	*(4.69)*	*-*	*(103.03)*
c) Lease Liability	*-*	*98.34*	*(0.55)*	*-*	*97.79*
d) Allowances for doubtful debts and advances	*290.84*	*-*	*(5.02)*	*-*	*285.82*
e) Defined benefit obligation	*44.88*	*-*	*7.14*	*1.57*	*53.59*
f) Provisions and liabilities to be allowed on payment basis	*343.77*	*-*	*(234.98)*	*-*	*108.79*
g) Voluntary Retirement Scheme	*51.41*	*-*	*(29.98)*	*-*	*21.43*
h) Tax losses	*-*	*-*	*-*	*-*	*-*
i) Others (MAT Credit)	*1,022.18*	*-*	*(470.24)* *	*-*	*551.94*
j) Profits from Real Estate Business (Refer Note 50)	*4,003.31*	*-*	*897.85*	*-*	*4,901.16*
Total	*4,992.42*	*-*	*122.60*	*1.57*	*5,116.59*

* Net off ₹ 181.22 Lakhs MAT credit recognised based on the return of income filed for AY 2019-20.

Note:

There are no unrecognised deductible temporary differences, unused tax losses and unused tax credits.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

21. Other liabilities
Current

₹ in Lakhs

Particulars		**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
a)	Advances from customers [includes ₹ 10,476.20 Lakhs; *(Previous year ₹ 38,594.46 Lakhs)* towards installments received from customers towards real estate development projects in progress] (Refer Note 50)	**10,931.22**	*39,062.37*
b)	Statutory remittances	**167.31**	*171.47*
c)	Others		
	- Payable to Employees	**984.53**	*72.82*
	- Others	**0.85**	*4.70*
	Total	**12,083.91**	*39,311.36*

22. Borrowings

₹ in Lakhs

Particulars		**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Unsecured - at amortised cost			
a)	**Credit card facility availed from Axis Bank**	**153.33**	*656.99*
	(Tenure of 51 days)		
	Total	**153.33**	***656.99***
Secured - at amortised cost			
	Loans repayable on demand		
	From banks		
i)	**Cash credit from consortium of banks -** Secured against pari passu charge by way of hypothecation of all stocks including raw materials, stock-in-process, finished goods, stores and spares, goods in transit, trade receivables and other current assets, except receivables of project Vicinia (Refer Note 49).	**1,155.87**	***1,678.07***
ii)	**Overdraft facility from Axis Bank -** Secured by first charge on project Vicinia receivables to the extent pertaining to Forbes & Company Limited (Refer Note 49).	**2,456.23**	*4,941.75*
	Total	**3,765.43**	*7,276.81*

23. Trade payables
Current

₹ in Lakhs

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Micro and small enterprises	**517.73**	*402.46*
Others (includes due to related parties as per Note 40)	**5,407.60**	*4,809.76*
Total	**5,925.33**	*5,212.22*

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:-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

₹ in Lakhs

Particulars	31st Mar., 2021	*31st Mar., 2020*
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**438.64**	*328.26*
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	**1.27**	*11.69*
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	**1,432.49**	*810.05*
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	**3.62**	*3.59*
Further interest remaining due and payable for earlier years	**74.20**	*58.92*

24. Income tax assets and liabilities

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Current tax assets		
Tax refund receivable (net)	**1,496.02**	*1,784.69*
	1,496.02	*1,784.69*
Current tax liabilities		
Income tax payable (net)	**76.07**	*92.56*
	76.07	*92.56*
Net Asset	**1,419.95**	*1,692.13*
Movement during the year		
Balance at the beginning of the year	**1,692.13**	*1,241.68*
Add: Taxes paid (including tax deducted at source / self assessment tax)	**224.01**	*301.93*
Add: Interest receivable accounted in current year	**-**	*148.52*
Less: Refund received (net of taxes paid / adjusted)	**(496.19)**	*-*
Balance at the year end	**1,419.95**	*1,692.13*

25. Revenue from operations

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

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Income from real estate contracts	**38,652.53**	*-*
b) Sales		
Sale of products (including excise duty)		
i) Finished Goods	**15,573.22**	*17,228.56*
ii) Traded Good	**154.76**	*165.46*
	15,727.98	*17,394.02*
Sale of services		
i) Service income	**63.61**	*102.43*
	63.61	*102.43*
c) Other operating revenues		
i) Rent and amenities	**1,648.40**	*1,847.40*
ii) Export incentives	**111.81**	*117.57*
iii) Others (mainly includes scrap sales)	**31.99**	*26.58*
	1,792.20	*1,991.55*
Total	**56,236.32**	*19,488.00*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

26. Other Income

₹ in Lakhs

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
a) Interest Income		
Interest income earned on financial assets that are not designated as at fair value through profit or loss:		
i) Bank deposits	**19.46**	*25.85*
ii) Inter-corporate deposit	**110.84**	*32.08*
iii) Customers and others	**2.99**	*15.47*
Total (a)	**133.29**	*73.40*
b) Dividend Income		
i) from long-term investments	**-**	*0.06*
Total (b)	**-**	*0.06*
c) Other Non-Operating Income		
i) Credit balances / excess provision written back	**46.31**	*25.90*
ii) Interest on Income Tax/ Wealth Tax refund	**92.78**	*193.17*
iii) Miscellaneous income (mainly includes recoveries from group companies)	**64.45**	*57.31*
Total (c)	**203.54**	*276.38*
d) Other gains and losses		
i) Gain on disposal of property, plant and equipment	**754.80**	*145.18*
ii) Gain on fair value / interest of long-term investments in subsidiaries	**175.29**	*157.10*
iii) Guarantee Commission (including notional income recognised)	**70.42**	*100.41*
Total (d)	**1,000.51**	*402.69*
Total (a + b + c + d)	**1,337.34**	*752.53*

27. Real estate development costs

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
i) Material and Contractual Payments	**3,748.54**	*6,148.92*
ii) Fees for technical services / design and drawings	**46.44**	*109.08*
iii) Project Management Consultancy Fees	**235.38**	*247.31*
iv) Fees-filing with Statutory Authourities	**88.59**	*1,649.32*
v) Interest on borrowings	**363.49**	*393.90*
vi) Operation and maintenance expenses	**119.94**	*182.73*
Total	**4,602.38**	*8,731.26*

28.

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

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Opening stock of raw materials including packing materials	**891.43**	*1,745.42*
Purchases	**5,831.05**	*7,416.02*
	6,722.48	*9,161.44*
Less: Closing stock of raw materials including packing materials	**961.61**	*891.43*
	5,760.87	*8,270.01*

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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
a) Inventories at the end of the year:		
i) Finished goods	**1,002.70**	*1,083.26*
ii) Work-in-progress	**590.45**	*805.96*
iii) Stock-in-trade	**21.26**	*120.44*
iv) Real estate development work-in-progress	**10,504.58**	*33,035.57*
	12,118.99	*35,045.23*
b) Inventories at the beginning of the year:		
i) Finished goods	**1,083.26**	*1,248.09*
ii) Work-in-progress	**805.96**	*774.49*
iii) Stock-in-trade	**120.44**	-
iv) Real estate development work-in-progress	**33,035.57**	*24,304.31*
	35,045.23	*26,326.89*
Net increase (b)-(a)	**22,926.24**	*(8,718.34)*

29. Employee benefits expense

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
i) Salaries and Wages (Refer Note 35 II D)	**3,806.14**	*3,997.90*
ii) Contribution to provident and other funds (Refer Note 35)	**259.95**	*342.87*
iii) Staff Welfare Expenses	**171.63**	*367.35*
Total	**4,237.72**	*4,708.12*

30. Finance costs

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
(a) Interest costs :-		
i) Interest on bank overdrafts and loans	**1,316.52**	*1,353.21*
ii) Interest expenses on lease liabilities	**23.19**	*33.75*
iii) Delayed payment of taxes	**2.17**	*8.73*
iv) Other interest expense	**26.23**	*23.67*
	1,368.11	*1,419.36*
Less: amounts included in the cost of qualifying assets	-	*252.79*
Sub Total	**1,368.11**	*1,166.57*
(b) Other borrowing costs	**7.61**	*17.70*
Total	**1,375.72**	*1,184.27*

The weighted average capitalisation rate on borrowed funds generally is Nil *(Previous Year 10.50%)*.

31. Depreciation and amortisation expense

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
i) Depreciation on property, plant and equipment (Refer Note 5)	**1,238.73**	*989.86*
ii) Depreciation of investment properties (Refer Note 6)	**64.61**	*65.71*
iii) Depreciation Right-of-use assets (Refer Note 45)	**53.55**	*81.35*
iv) Amortisation of intangible assets (Refer Note 7)	**72.20**	*73.55*
Less: Transfered to Real Estate work-in-progress	-	*(0.06)*
Total	**1,429.09**	*1,210.41*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

32. A. Other expenses

₹ in Lakhs

Particulars		**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Consumption of stores and spare parts		**586.92**	*772.28*
Processing charges		**923.08**	*856.77*
Power and fuel		**439.72**	*573.38*
Service charges		**325.42**	*402.72*
Rent and hire charges		**20.97**	*13.44*
Repairs and maintenance to :			
i) Buildings	45.51		*88.50*
ii) Plant and machinery	140.18		*175.31*
iii) Others	195.70		*227.51*
		381.39	*491.32*
Insurance		**56.57**	*38.53*
Rates and taxes		**143.87**	*131.47*
Selling expenses, commission and brokerage		**305.34**	*452.17*
Freight and outward charges		**330.86**	*420.94*
Advertisement and sales promotion		**150.27**	*731.97*
Printing and Stationery		**27.03**	*65.24*
Communication		**58.71**	*91.52*
Legal and professional charges		**348.38**	*411.23*
Travelling and conveyance		**109.25**	*379.24*
Trade receivables written off	22.26		*4.76*
Less: Provision held	22.26		*4.76*
		-	*-*
Advances written off	3.94		*-*
Less: Provision held	-		*-*
		3.94	*-*
Provision for doubtful trade receivables		**12.43**	*155.33*
Provision for doubtful loans and advances		**9.95**	*-*
Corporate social responsibility expenditure (Refer Note 2 below)		**18.84**	*26.96*
Net loss on Foreign currency transactions and translations		**11.25**	*11.66*
Security Expenses		**205.63**	*228.84*
Miscellaneous expenses		**249.74**	*329.40*
Auditors remuneration			
To Statutory Auditors			
i) For audit	82.15		*79.55*
ii) For reimbursement of expenses	3.22		*6.24*
		85.37	*85.79*
To cost auditors		**4.25**	*3.88*
		89.62	*89.67*
Total		**4,809.18**	*6,674.08*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

₹ in Lakhs

Particulars		Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Note 1: Included in other expenses are the below:			
Direct operating expenses arising from investment property that generated rental income during the year		**129.90**	*74.30*
Direct operating expenses arising from investment property that did not generate rental income during the year		**9.31**	*11.09*
Total		**139.21**	*85.39*
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.		**18.84**	*55.97*
Amount spent during the year:			
(i) Constructions/ Acquisition of an asset		**0.83**	*26.96*
(ii) For the purposes other than (i) above		**-**	*-*
Total		**0.83**	*26.96*
Agreements entered for construction / acquisition of assets		**-**	*-*
Contribution for activities promoting educational facilities		**0.83**	
Accrual towards unspent obligations in relation to ongoing projects		**18.01**	

Balance as at 1st April, 2020			Amount Spent during the year		Balance as at 31st March, 2021	
With the Company	In Separate CSR unspent account	Amount required to be spent during the year	From the Company's bank Account	From Separate CSR unspent account	With the company	In Separate CSR unspent account
-	-	**18.84**	**0.83**	-	* **18.01**	

* ₹ 17.00 Lakhs has been transferred to a separate CSR unspent account on 28th April, 2021 and ₹ 1.01 Lakhs has been transferred on 10th May, 2021

₹ in Lakhs

B. Exceptional items

	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Expected inflow / (outflow) for disputed matters (Net) (Refer Note 44)	**-**	*698.18*
Impairment of loans and interest accrued thereon (Refer Note 52)	**(3,459.28)**	*-*
Impairment of investment in subsidiary company (Refer Note 52)	**(7,650.00)**	*(1,216.29)*
Impairment of financial assets in subsidiary company (Refer Note 52)	**(328.57)**	*-*
	(11,437.85)	*(518.11)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

33. Income taxes

33.1 Income tax recognised in profit or loss

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
For Continuing operations		
Current tax		
In respect of the current year	-	-
Deferred tax		
In respect of the current year	**4,013.39**	*(122.60)*
	4,013.39	*(122.60)*

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

Profit before tax from total operations	**910.56**	*(2,577.78)*
Income tax expense calculated at 25.17% (2019-20: 29.12%)	**229.19**	*(750.65)*
Effect of expense that is non deductible in determining taxable profit	**2,806.75**	*366.48*
Effect of tax incentives and concession	**(66.57)**	*(109.25)*
Effects of Ind AS adjustments due to notional gains/ loss recognised during the year	**(49.92)**	*(43.31)*
Effect of disallowances / (deduction) on which deferred tax assets was not recognised in past	-	*(96.53)*
Effect on deferred tax assets due to change in tax rates	**619.18**	*661.32*
MAT credit written off	**551.91**	-
Brought forward loss recognised based on the return of income filed for AY 2019-20	-	*(200.34)*
Others	**(77.15)**	*49.68*
Income tax expense recognised in the Statement of Profit and Loss	**4,013.39**	*(122.60)*

33.2 Income tax recognised in other comprehensive income

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Deferred tax		
Re-measurement of defined benefit plans	(11.27)	*(1.57)*
Total income tax expense recognised in other comprehensive income	(11.27)	*(1.57)*

34. Earnings per share

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Profit for the year (A) (₹ in Lakhs)	**(3,102.83)**	*(2,455.18)*
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 C=(A/B) (₹)	**(24.06)**	*(19.03)*

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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 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.

I. Charge to the Statement of Profit and Loss based on contributions:

₹ in Lakhs

Particulars	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*
Employer's contribution to Regional Provident Fund Office	**58.31**	*69.91*
Employer's contribution to Superannuation Fund	**57.75**	*64.28*
Employer's contribution to Employees' State Insurance Corportion and other funds	**19.73**	*32.33*

Included in Contribution to Provident and Other Funds (Refer Note 29)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

II. Disclosures for defined benefit plans based on actuarial valuation reports :-

A. Change in Defined Benefit Obligation

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Present Value of Defined Benefit Obligation as at beginning of the year	**779.08**	*825.83*	**304.67**	*303.52*
Interest Cost	**48.18**	*62.45*	**19.60**	*22.77*
Current Service Cost	**30.47**	*63.74*	-	-
Benefits Paid	**(134.30)**	*(180.99)*	**(45.32)**	*(41.91)*
Remeasurement of defined benefit obligation	**17.22**	*8.05*	**22.75**	*20.29*
Present Value of Defined Benefit Obligation as at the end of the year	**740.65**	*779.08*	**301.70**	*304.67*

B. Changes in the Fair Value of Assets

₹ in Lakhs

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Fair Value of Plan Assets as at beginning of the year	**595.05**	*697.49*	-	-
Interest Income	**38.26**	*53.29*	-	-
Contributions from employer	**86.50**	*11.81*	-	-
Benefits Paid	**(134.30)**	*(180.99)*	-	-
Return on Plan Assets, excluding Interest Income	**(4.82)**	*13.45*	-	-
Fair Value of Plan Assets as at the end of the year	**580.69**	*595.05*	-	-

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., 2021	*Year ended 31st Mar., 2020*	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Present Value of Defined Benefit Obligation as at the end of the year	**740.65**	*779.08*	**301.70**	*304.67*
Fair Value of Plan Assets as at end of the year	**580.69**	*595.05*	-	-
Net Liability recognised in the Balance Sheet (Refer Note 19A and 19B)	**159.96**	*184.03*	**301.70**	*304.67*
Recognised under:				
Non - current provision (Refer Note 19A)	**58.17**	*61.87*	**258.22**	*261.19*
Current provision (Refer Note 19B)	**101.79**	*122.16*	**43.48**	*43.48*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

D. Expenses recognised in Statement of Profit and Loss

₹ in Lakhs

Particulars	Gratuity (Funded) *		Others (Post Retirement medical and non compete fees) (Non funded) #	
	Year ended 31st Mar., 2021	*Year ended 31st Mar., 2020*	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Current Service Cost	**30.47**	*63.74*	**-**	*-*
Net interest	**9.92**	*9.16*	**19.60**	*22.77*
Total Expenses recognised in the Statement of Profit and Loss	**40.39**	*72.90*	**19.60**	*22.77*

* 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., 2021	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in financial assumptions	**30.80**	*(37.79)*	**12.91**	*14.59*
Actuarial (Gains)/Losses on Obligation for the Year - Due to experience adjustment	**(13.58)**	*36.41*	**20.85**	*5.70*
Return on Plan Assets, excluding Interest Income	**4.82**	*(13.45)*	**-**	*-*
Actuarial (Gains)/Losses on Obligation for the Year - Due to changes in demographic assumptions	**-**	*9.43*	**(11.01)**	*-*
Net (Income)/Expense For the year Recognized in OCI	**22.04**	*(5.40)*	**22.75**	*20.29*

F. Principal actuarial assumptions used:

Particulars	Gratuity (Funded)		Others (Post Retirement medical and non compete fees) (Non funded)	
	As at 31st Mar., 2021	*As at 31st Mar., 2020*	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Discount Rate (per annum)	**6.26%**	*6.43%*	**6.26% & 6.90%**	*6.43% & 6.89%*
Salary escalation rate	**4.50%**	*3.50%*	**0.00%**	*0.00%*
Rate of employee turnover	**11.89%**	*11.89%*	**0.00%**	*0.00%*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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., 2021	*As at 31st Mar., 2020*	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Opening Net Liability	**184.03**	*128.34*	**304.67**	*303.52*
Expenses Recognized in Statement of Profit or Loss	**40.39**	*72.90*	**19.60**	*22.77*
Expenses Recognized in OCI	**22.04**	*(5.40)*	**22.75**	*20.29*
Benefit Paid Directly by the Employer	**-**	-	**(45.32)**	*(41.91)*
Employer's Contribution	**(86.50)**	*(11.81)*	**-**	-
Net Liability Recognized in the Balance Sheet	**159.96**	*184.03*	**301.70**	*304.67*

H. Category of Assets

₹ in Lakhs

Particulars	Gratuity	
	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Insurance fund	**580.69**	*595.05*
Total	**580.69**	*595.05*

The Plan Asset for the funded gratuity plan are administered by Life Insurance Corporation of India ('LIC') as per the Investment Pattern stipulated for Pension and Group Schemes Fund by Insurance Regulatory Development Authority Regulations.

I. Other Details

Particulars	Gratuity		Others (Post Retirement medical and non compete fees)	
	As at 31st Mar., 2021	*As at 31st Mar., 2020*	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Number of Active Members	**391**	*436*	**-**	-
Per Month Salary for Active Members (₹ in Lakhs)	**79.99**	*92.31*	**-**	-
Weighted Average Duration of the Projected Benefit Obligation	**5**	*5*	**-**	-
Average Expected Future Service (Years)	**6**	*6*	**-**	-
Projected Benefit Obligation (PBO) (₹ in Lakhs)	**740.65**	*779.08*	**301.70**	*304.67*
Prescribed Contribution For Next Year (12 Months) (₹ in Lakhs)	**79.99**	*92.31*	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - 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., 2021**	*Estimated for the Year ended 31st Mar., 2020*	**Estimated for the Year ended 31st Mar., 2021**	*Estimated for the Year ended 31st Mar., 2020*
	Gratuity		**Other Post Employment Benefits**	
1st Following Year	**115.98**	*155.02*	**43.48**	*43.48*
2nd Following Year	**94.34**	*92.83*	**43.48**	*43.48*
3rd Following Year	**134.25**	*105.80*	**43.48**	*43.48*
4th Following Year	**123.63**	*121.45*	**43.48**	*43.48*
5th Following Year	**74.20**	*109.37*	**43.48**	*43.48*
Sum of Years 6 To 10	**245.01**	*244.98*	**217.40**	*217.40*
Sum of Years 11 and above	**163.73**	*156.29*	**-**	*-*

K. Sensitivity Analysis

₹ in Lakhs

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
	Gratuity	
Impact of +1% Change in Rate of Discounting	**(25.92)**	*(25.76)*
Impact of -1% Change in Rate of Discounting	**28.27**	*28.03*
Impact of +1% Change in Rate of Salary Increase	**28.48**	*28.57*
Impact of -1% Change in Rate of Salary Increase	**(26.58)**	*(26.70)*
Impact of +1% Change in Rate of Employee Turnover	**1.78**	*3.60*
Impact of -1% Change in Rate of Employee Turnover	**(1.99)**	*(3.94)*

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., 2021**	*Year ended 31st Mar., 2020*
Company's contribution to the provident fund	**83.77**	*103.44*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Approach used	**Deterministic**	*Deterministic*
Increase in compensation levels	**4.50%**	*3.50%*
Discount Rate	**6.26%**	*6.43%*
Attrition Rate	**11.89%**	*11.89%*
Reinvestment Period on Maturity	**5 years**	*5 years*
Expected Guaranteed Interest Rate	**8.50%**	*8.50%*
Average Expected Future Service	**6 years**	*6 years*
Average Term to Maturity	**4.41 years**	*5.36 years*
Mortality Rate	**Indian Assured Lives Mortality (2006-08) Ultimate**	*Indian Assured Lives Mortality (2006-08) Ultimate*

Particulars	**Year ended 31st Mar., 2021**	*Year ended 31st Mar., 2020*
Plan assets as year end, at fair value	**3,912.39**	*3,547.85*
Present value of benefit obligation at year end	**3,672.27**	*3,327.05*

M. The liability for Compensated absences (Non – Funded) as at year end is ₹ 306.93 Lakhs *(Previous year ₹ 340.09 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 ₹ 249.68 Lakhs *(Previous year ₹ 250.55 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., 2021	*31st Mar., 2020*
Total Equity	**17,029.37**	*20,165.72*
Short Term Borrowings	**3,765.43**	*7,276.81*
Long Term Borrowings	**5,823.57**	*6,775.83*
Current Maturities of Long Term Borrowings	**5,524.14**	*4,477.77*
Lease Liabilities	**213.32**	*353.81*
Total Debt	**15,326.46**	*18,884.22*
Cash and Cash equivalents	**2,170.53**	*190.59*
Bank balances other than above	**259.52**	*186.99*
Balance held as margin money with banks with remaining maturity period of more than 12 months	**2.27**	*1.61*
Net Debt	**12,894.14**	*18,505.03*
Debt Equity ratio	**0.90**	*0.94*

Debt Equity Ratio = Total Debt / Total Equity

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

36.2 Financial risk management objectives

The Management monitors and manages the financial risks to the operations of the Company. These risks include market risk, credit risk and liquidity risk.

36.3 Market Risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates (Refer Note 36.6) and interest rates (Refer Note 36.7).

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 and Note 52)

Other Financial assets

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are mutual funds and banks with high credit-ratings assigned by credit-rating agencies.

In addition, the Company is exposed to credit risk in relation to the financial guarantees given to banks on behalf of the 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 ₹ 8,974.46 Lakhs as at 31st March, 2021 *(Previous year as at 31st March, 2020 is ₹ 13,526.36 Lakhs)*. Further the company has also received a letter of support from the ultimate holding company Shapoorji Pallonji and Company Private Limited for the guarantees given to FTL amounting to ₹ 8,488.72 Lakhs. Based on expectations at the end of the reporting period, the Company considers that it is more likely that such an amount will not be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of the likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

36.5 Liquidity Risk

Liquidity Risk refers to insufficiency of funds to meet the financial obligations. Liquidity Risk Management implies maintenance of sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit lines to meet obligations when due.

The Company manages liquidity risk by banking facilities and by continuously monitoring forecast and actual cash flows, and by assessing the maturity profiles of financial assets and liabilities. The below table sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

The Company has the following undrawn credit lines available as at the end of the reporting period.

₹ in Lakhs

	31st Mar., 2021	*31st Mar., 2020*
- Expiring within one year	**3,084.57**	*2,272.00*
- Expiring beyond one year	**-**	*976.00*
	3,084.57	*3,248.00*

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the earliest date on which the Company can be required to pay. The tables include both principal and interest cash flows.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	**31st Mar., 2021**			
	Upto 1 year	**1 to 3 years**	**3 to 5 years**	**5 years & above**
Borrowings (includes interest)	10,115.23	5,883.37	788.28	-
Trade Payables	5,925.33	-	-	-
Other Financial Liabilities	1,143.15	154.00	-	-
Lease liability	37.11	81.03	73.64	113.50
	17,220.82	**6,118.40**	**861.92**	**113.50**

₹ in Lakhs

Maturities of Financial Liabilities as at the Balance Sheet date	*31st Mar., 2020*			
	Upto 1 year	*1 to 3 years*	*3 to 5 years*	*5 years & above*
Borrowings (includes interest)	*12,673.01*	*6,347.68*	*1,054.66*	*-*
Trade Payables	*5,212.22*	*-*	*-*	*-*
Other Financial Liabilities	*1,459.80*	*122.33*	*-*	*-*
Lease liability	*99.00*	*156.61*	*127.55*	*81.73*
	19,444.03	*6,626.62*	*1,182.21*	*81.73*

36.6 Derivatives Instruments and unhedged Foreign Currency (FC) exposure

The Company is exposed to Currency Risk arising from its trade exposures and capital/Loan receipt/payments denominated, in other than the Functional Currency. The Company has a Foreign Exchange Risk Management policy within which the treasury has to perform and also lays down the checks and controls to ensure the continuing success of the treasury function. The Company has defined strategies for addressing the risks for each category of exposures (e.g. for exports , for imports, for loans, etc.). The centralised treasury function aggregates the foreign exchange exposure and takes prudent measures to hedge the exposure based on prevalent macro-economic conditions.

a) Particulars of unhedged foreign currency exposures as at the reporting date

	As at 31st Mar., 2021				*As at 31st Mar., 2020*			
	Advances from customers		**Trade receivables**		*Advances from customers*		*Trade receivables*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.37**	**27.19**	**5.74**	**420.97**	*0.19*	*14.04*	*6.08*	*454.59*
GBP	**-**	**-**	**0.25**	**25.08**	*-*	*-*	*0.19*	*17.30*
EUR	**0.73**	**62.76**	**-**	**-**	*0.00*	*0.04*	*-*	*-*

	As at 31st Mar., 2021				*As at 31st Mar., 2020*			
	Advances to vendors		**Trade payables**		*Advances to vendors*		*Trade payables*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*	*FC in Lakhs*	*₹ In Lakhs*
USD	**0.12**	**8.93**	**4.90**	**359.13**	*0.16*	*11.77*	*5.45*	*407.49*
EUR	**0.11**	**9.51**	**2.36**	**202.71**	*0.02*	*1.76*	*2.53*	*208.13*
CHF		**-**	**0.02**	**1.49**		*-*	*0.04*	*3.03*
AED	**-**	**-**	**0.26**	**5.20**	*0.14*	*2.82*	*0.70*	*14.26*

	As at 31st Mar., 2021		*As at 31st Mar., 2020*	
	Current Account Balances		*Current Account Balances*	
Currencies	**FC in Lakhs**	**₹ In Lakhs**	*FC in Lakhs*	*₹ In Lakhs*
USD	**1.88**	**137.52**	*0.52*	*38.59*
EUR	**0.05**	**4.31**	*-*	*-*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Of the above, the Company is mainly exposed to USD, GBP and EUR. Hence the following table analyses the Company's Sensitivity to a 5% increase and a 5% decrease in the exchange rates of these currencies against INR.

(b) Sensitivity

As at 31st Mar., 2021

₹ in Lakhs

Currencies	**Increase/ Decrease**	**Total Assets in FC**	**Total Liabilities in FC**	**Impact on exchange rate**	**Impact on Profit or Loss for the year**
USD	Increase by 5%	7.74	5.27	3.66	9.04
USD	Decrease by 5%	7.74	5.27	(3.66)	(9.04)
GBP	Increase by 5%	0.25	-	5.05	1.26
GBP	Decrease by 5%	0.25	-	(5.05)	(1.26)
EUR	Increase by 5%	0.16	3.09	4.30	(12.60)
EUR	Decrease by 5%	0.16	3.09	(4.30)	12.60

As at 31st Mar., 2020

₹ in Lakhs

Currencies	*Increase/ Decrease*	*Total Assets in FC*	*Total Liabilities in FC*	*Impact on exchange rate*	*Impact on Profit or Loss for the year*
USD	*Increase by 5%*	*6.75*	*5.63*	*3.74*	*4.19*
USD	*Decrease by 5%*	*6.75*	*5.63*	*(3.74)*	*(4.19)*
GBP	*Increase by 5%*	*0.19*	-	*4.68*	*0.89*
GBP	*Decrease by 5%*	*0.19*	-	*(4.68)*	*(0.89)*
EUR	*Increase by 5%*	*0.02*	*2.53*	*4.11*	*(10.32)*
EUR	*Decrease by 5%*	*0.02*	*2.53*	*(4.11)*	*10.32*

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:

	As at 31st Mar., 2021			*As at 31st Mar., 2020*		
Particulars	**Weighted average interest rates**	**% of total loans**	**Total Borrowings**	*Weighted average interest rates*	*% of total loans*	*Total Borrowings*
Term Loans from Banks	**9.70%**	**75%**	**11,347.71**	*9.98%*	*61%*	*11,253.60*
Cash Credit Facilities	**10.26%**	**8%**	**1,155.87**	*10.59%*	*9%*	*1,678.07*
Overdraft Facilities	**9.01%**	**16%**	**2,456.23**	*9.45%*	*26%*	*4,941.75*
Credit card Facilities	-	**1%**	**153.33**	-	*4%*	*656.99*
Total			**15,113.14**			*18,530.41*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

(b) Sensitivity

The sensitivity of profit / (loss) to changes in interest rates:

Particulars	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Rates increase by 100 basis points*	**144.05**	*166.41*
Rates decrease by 100 basis points*	**(144.05)**	*(166.41)*

* Holding all other variables constant.

36.8 Fair Value Disclosures

a) Categories of Financial Instruments:

₹ in Lakhs

	31st Mar., 2021			*31st Mar., 2020*		
	FVTPL	**FVTOCI**	**Amortised Cost**	*FVTPL*	*FVTOCI*	*Amortised Cost*
Financial Assets						
Investments *	**496.81**	-	**1,138.24**	*445.19*	-	*1,016.29*
Loans	-	-	**177.50**	-	-	*459.87*
Cash and Bank Balances	-	-	**2,430.05**	-	-	*377.58*
Trade Receivables	-	-	**3,452.11**	-	-	*2,507.02*
Other Financial Assets	-	-	**909.51**	-	-	*1,106.01*
	496.81	-	**8,107.41**	*445.19*	-	*5,466.77*
Financial liabilities						
Borrowings	-	-	**9,589.00**	-	-	*14,052.64*
Trade Payables	-	-	**5,925.33**	-	-	*5,212.22*
Other Financial Liabilities	-	-	**6,833.17**	-	-	*6,069.90*
Lease liability	-	-	**213.32**	-	-	*353.81*
	-	-	**22,560.82**	-	-	*25,688.57*

* Excludes investments in equity instruments of ₹ 15,055.06 Lakhs *(Previous year ₹ 22,705.07 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

	31st Mar., 2021				
Financial Assets	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Measured at FVTPL					
Investments					
Investments in Equity Instruments	0.68	-	-	0.68	0.68
Investments in debentures	496.13	-	-	496.13	496.13

₹ in Lakhs

	31st Mar., 2020				
Financial Assets	*Carrying Value*	*Level 1*	*Level 2*	*Level 3*	*Total*
Measured at FVTPL					
Investments					
Investments in Equity Instruments	*0.68*	-	-	*0.68*	*0.68*
Investments in debentures	*444.51*	-	-	*444.51*	*444.51*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

There are no transfers between level 1, level 2 and level 3 during the year.

c) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 items for the years ended 31st March, 2021 and 31st March, 2020.

₹ in Lakhs

	Equity Instruments	Optionally Convertible Debentures	Total
As at 31st Mar., 2020	**0.68**	**444.51**	**445.19**
Additions during the year	-	-	-
Fair value Gains / Losses recognised in profit or loss	-	51.62	51.62
As at 31st Mar., 2021	**0.68**	**496.13**	**496.81**

₹ in Lakhs

	Equity Instruments	*Optionally Convertible Debentures*	*Total*
As at 31st Mar., 2019	*0.68*	*398.31*	*398.99*
Additions during the year	-	-	-
Fair value Gains / Losses recognised in profit or loss	-	*46.20*	*46.20*
As at 31st Mar., 2020	*0.68*	*444.51*	*445.19*

d) Valuation Process

The Company values financial instruments measured at FVTPL as per valuation norms. 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.

f) Valuation inputs and relationships to fair value

Particulars	Fair values as at (₹ in Lakhs)		Unobservable inputs	Probability - weighted range		Sensitivity
	31st Mar., 2021	*31st Mar., 2020*		**31st Mar., 2021**	*31st Mar., 2020*	
Optionally convertible debentures	**496.13**	*444.51*	Risk adjusted discount rate	**10.5%-12%**	*10.5%-12%*	**2021:** Higher discount rate by 100 bps would decrease the FV by ₹46.04 Lakhs and lower discount rate by 100 bps would increase the FV by ₹51.34 Lakhs. ***2020:*** *Higher discount rate by 100 bps would decrease the FV by ₹44.68 Lakhs and lower discount rate by 100 bps would increase the FV by ₹50.26 Lakhs.*

37. Operating lease arrangements

37.1 (i) The Company as lessor

The Company has entered into operating lease arrangements, consisting of surplus space in buildings to others. The normal tenure of the arrangement is upto five years. The rental income from the assets given on lease of ₹ 1,648.40 Lakhs *(Previous year ₹ 1,847.40 Lakhs)* has been disclosed as "Rent and amenities" under Revenue from operations in Note 25 to the Statement of Profit and Loss.

37.1 (ii) Non-cancellable operating lease receivables

₹ in Lakhs

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Not later than 1 year	**523.81**	*438.94*
Later than 1 year and not later than 5 years	**400.86**	*367.08*
Total	**924.67**	*806.02*

38. Commitments

₹ in Lakhs

a)

Particulars	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance paid aggregating ₹ 112.89 Lakhs; *(Previous year ₹112.86 Lakhs)*	**578.13**	*162.44*
Total	**578.13**	*162.44*

b) **Other Commitments**

The Company has outstanding bank guarantees of ₹ 120.04 Lakhs *(Previous Year ₹ 254.86 Lakhs).*

The Company has outstanding performance guarantees of ₹ 133.72 Lakhs *(Previous Year ₹ 134.34 Lakhs)*.

39. Contingencies and other commitments
(To the extent not provided for)

₹ in Lakhs

Particulars		**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
(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 ₹ 42.85 Lakhs; *(Previous year ₹ 42.85 Lakhs)]*	**474.35**	*465.98*
	iii) Income-tax [Advance paid against the demand ₹ 253.67 Lakhs; *(Previous year ₹ 242.10 Lakhs)*]	**4,492.94**	*4,492.95*
	iv) Service-tax (Advance paid ₹ 92.25 Lakhs) *(Previous year ₹ 92.25 Lakhs)*	**3,424.49**	*3,424.49*
	v) Customs duty [Advance paid ₹ Nil; *(Previous year ₹ Nil)*]	**101.00**	*101.00*
	vi) Wealth tax [Advance paid ₹ 49.94 Lakhs; *(Previous year ₹ 92.26 Lakhs)*]	**409.86**	*409.86*
2	Labour matters in dispute	**11.07**	*11.07*
3	Customer claims	**3,107.97**	*3,177.17*
4	Other legal matters	**445.40**	*235.40*
(b)	**Other commitments :-**		
	i) Guarantee on behalf of related parties (Secured by charge on certain investment properties) *	**8,974.46**	*16,874.15*

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 ₹ 4,473.28 Lakhs *(Previous Year ₹ 4,958.00 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

40. Related Party Disclosures

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

	Nature of Relationship	Name of Entity
A	Holding Company	Shapoorji Pallonji and Company Private Limited
B	Subsidiaries - Direct	Eureka Forbes Limited * Forbes Campbell Finance Limited Shapoorji Pallonji Forbes Shipping Limited Forbes Technosys Limited * Campbell Properties & Hospitality Services Limited Volkart Fleming Shipping and Services Limited
B	Subsidiaries - Indirect	Aquaignis Technologies Private Limited Forbes Lux International AG Forbes Aquatech Limited (Subsidiary w.e.f. 28th August, 2020) Infinite Water Solutions Private Limited (subsidiary w.e.f. 31st March, 2021) Lux International AG Lux del Paraguay S.A. Lux Welity Polska sp.zo.o. (w.e.f. 29.07.2019) Lux Italia srl (ceased to be subsidiary from 1st January 2021) Lux Schweiz AG Lux (Deutschland) GmbH (ceased to be subsidiary from 8th May 2020) Lux International Services and Logistics GmbH (Formerly Lux Service GmbH) Lux Norge A/S (ceased to be subsidiary from 1st January 2021) Lux Oesterreich GmbH Lux Hungaria Kereskedelmi Kft LIAG Trading & Investment Limited Lux Professional Paraguay SA (formerly Lux Aqua Paraguay SA) EFL Mauritius Limited Euro Forbes Limited (UAE) Forbes Lux FZCO Forbes Facility Services Private Limited Forbes Enviro Solutions Limited Euro Forbes Financial Services Limited Forbes Campbell Services Limited
C	Fellow Subsidiaries (where there are transactions)	Forvol International Services Limited Gokak Textiles Limited Shapoorji Pallonji Oil and Gas Private Limited Sterling and Wilson Private Limited United Motors (India) Private Limited Shapoorji Pallonji Infrastructure Capital Company Limited Paikar Real Estates Private Limited Sterling and Wilson Solar Limited
D	Associates - Direct	Nuevo Consultancy Service Limited
D	Associates - Indirect	Dhan Gaming Solutions (India) Private Limited Euro P2P Direct (Thailand) Company Limited

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

	Nature of Relationship	Name of Entity	
E	Joint Ventures - Indirect	Forbes Bumi Armada Limited Forbes Aquatech Limited (Upto 28th August, 2020) Forbes Concept Hospitality Services Private Limited Infinite Water Solutions Private Limited (Upto 31st March, 2021) AMC Cookware Proprietary Limited	
E	Joint Ventures of Holding Company/ Fellow Subsidiary (where there are transactions)	Shapoorji Pallonji Bumi Armada Offshore Private Limited (fomerly known as Forbes Bumi Armada Offshore Limited) HPCL Shapoorji Energy Private Limited	
F	Key Management Personnel ("KMP")	Mahesh 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 (w.e.f. 16.05.2019)
G	Post employment benefit plan	Forbes & Company Limited Employees Provident Fund	

* The Company has provided letter of support to these subsidiaries and would finance them as and when required after obtaining board approval.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - 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	887.23	6.53	17.63	258.88	-	-	**1,170.27**
2	Advances received for real estate project	-	-	137.24	-	-	-	**137.24**
3	Interest accrued on investment / loan	-	127.47	-	-	-	-	**127.47**
4	Trade Receivables	10.23	99.90	10.79	24.65	28.92	-	**174.49**
5	Advance for Supply of Goods and Services and Prepaid Exps.	28.60	-	-	-	-	-	**28.60**
6	Contractually reimbursable expenses (Gross)	-	229.00	122.97	-	-	-	**351.97**
7	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	3,787.85	10.18	-	-	-	**3,798.03**
8	Deposits Payable	-	-	49.25	-	23.79	-	**73.04**
9	Deposits Receivable	-	3,332.50	-	-	-	-	**3,332.50**
10	Guarantees Given	-	8,974.46	-	-	-	-	**8,974.46**
	Transactions							
	Purchases / Services							
11	Real estate development expenses	2,151.07	-	-	626.06	-	-	**2,777.13**
12	Fixed Assets/ Goods & Materials	1.45	1.61	-	-	-	-	**3.06**
	Sales / Services							
13	Income from real estate contracts	-	-	2,609.17	-	-	-	**2,609.17**
	Expenses							
14	Rent	-	1.50	-	-	-	-	**1.50**
15	Travelling and conveyance expenses	-	1.57	11.61	-	-	-	**13.18**
16	Legal and professional charges	19.16	-	-	-	-	-	**19.16**
17	Repairs and Maintenance	86.64	0.16	1.94	-	-	-	**88.74**
18	Selling expenses, commission and brokerage	-	-	-	141.43	-	-	**141.43**
19	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	11,437.85	-	-	-	-	**11,437.85**
20	Remuneration	-	-	-	-	-	128.82	**128.82**
21	Miscellaneous expenses and security expenses	-	52.58	-	-	-	-	**52.58**
	Income							
22	Rent and amenities	4.17	66.00	119.10	22.30	104.69	-	**316.26**
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	286.13	-	-	-	-	**286.13**
24	Guarantee Commission	-	49.04	21.38	-	-	-	**70.42**
25	Miscellaneous Income	-	30.60	0.00	-	-	-	**30.60**
	Other Receipts / Payments							
26	Other Reimbursements (Receipt)	-	11.31	79.60	-	0.70	-	**91.61**
27	Other Reimbursements (Payment)	-	0.59	10.88	117.30	-	-	**128.77**
	Finance							
28	Deposit Given	-	3,197.50	-	-	-	-	**3,197.50**
29	Repayment of Deposits Given	-	125.00	-	-	-	-	**125.00**
30	Real estate advances received from customers	-	-	110.60	-	-	-	**110.60**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8

Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - 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	C	C	C	C	C	C	C	C	D	E
		Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping Limited	Campbell Proper-ties & Hospitality Services Ltd.	Volkart Fleming Shipping & Services Ltd.	Forvol Inter-national Services Ltd.	Gokak Textiles Ltd.	Paikar Real Estates Pvt. Ltd.	Shapoorji Pallonji Infra-structure Capital Co. Ltd.	Shapoorji Pallonji Oil & Gas Private Ltd.	Sterling and Wilson Private Ltd.	Sterling and Wilson Solar Ltd.	United Motors (India) Ltd.	Nuevo Consul-tancy Service Ltd.	HPCL Shapoorji Energy Pvt. Ltd.
	Balances																			
1	Trade Payables and Capital Creditors	887.23	-	***	***	-	-	-	-	-	***	-	***	-	-	-	***	-	258.88	-
2	Advances received for real estate project	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	137.24	-	-
3	Interest accrued on investment / loan	-	-	-	***	-	126.78	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	-	-	-	-	99.90	-	-	-	***	***	-	-	-	***	-	-	24.65	28.92
5	Advance for Supply of Goods and Services and Prepaid Exps.	28.60	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	-	-	-	-	-	228.67	-	-	***	-	***	67.57	-	48.62	-	-	-	-	-
7	Provision for Doubtful Trade Receivables, Financial Assets and Deposits (including interest accrued thereon)	-	-	-	-	-	3,787.85	-	-	-	-	-	-	-	-	***	-	-	-	-
8	Deposits Payable	-	-	-	-	-	-	-	-	-	-	-	-	***	48.25	-	-	-	-	23.79
9	Deposits Receivable	-	-	-	-	-	3,332.50	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Guarantees Given	-	-	-	-	-	8,488.72	***	-	-	-	-	-	-	-	-	-	-	-	-
	Transactions																			
	Purchases / Services																			
11	Real estate development expenses	2,151.07	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	626.06	-
12	Fixed Assets/ Goods & Materials	1.45	1.61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Sales / Services																			
13	Income from real estate contracts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,609.17	-	-
	Expenses																			
14	Rent	-	-	-	1.50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Travelling and conveyance expenses	-	-	-	-	-	-	-	1.57	-	11.61	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

₹ in Lakhs

		A	B	B	B	B	B	B	B	B	C	C	C	C	C	C	C	C	D	E
		Shapoorji Pallonji and Company Private Ltd.	Eureka Forbes Ltd.	Forbes Facility Services Private Ltd.	Forbes Campbell Finance Ltd.	Forbes Campbell Services Ltd.	Forbes Technosys Ltd.	Shapoorji Pallonji Forbes Shipping 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 Ltd.	United Motors (India) Ltd.	Nuevo Consultancy Service Ltd.	HPCL Shapoorji Energy Pvt. Ltd.
16	Legal and professional charges	19.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
17	Repairs and Maintenance	86.64	***	-	-	-	-	-	-	-	-	-	-	-	-	-	***	-	-	-
18	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	141.43	-
19	Impairment in Investment in subsidiary Company, Loan and interest accrued thereon	-	-	-	-	-	11,437.85	-	-	-	-	-	-	-	-	-	-	-	-	-
20	Remuneration	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
21	Miscellaneous expenses and security expenses	-	-	26.36	-	26.22	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Income																			
22	Rent and amenities	***	-	-	-	-	54.00	***	-	-	***	-	-	***	110.98	-	-	-	***	104.69
23	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	53.33	-	110.84	121.95	-	-	-	-	-	-	-	-	-	-	-	-
24	Guarantee Commission	-	-	-	-	-	47.44	***	-	-	-	-	-	-	21.38	-	-	-	-	-
25	Miscellaneous Income	-	***	-	***	***	25.20	5.40	-	***	-	***	-	-	-	-	-	-	-	-
	Other Receipts / Payments																			
26	Other Reimbursements (Receipt)	-	-	-	-	***	-	-	-	***	***	-	77.79	-	***	-	-	-	-	***
27	Other Reimbursements (Payment)	-	-	-	-	-	***	-	-	-	-	-	***	-	-	-	-	-	117.30	-
	Finance																			
28	Deposit Given	-	-	-	-	-	3,197.50	-	-	-	-	-	-	-	-	-	-	-	-	-
29	Repayment of Deposits Given	-	-	-	-	-	125.00	-	-	-	-	-	-	-	-	-	-	-	-	-
30	Real estate advances received from customers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110.60	-	-

*** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Parties in F :

Key Managerial Personnel Remuneration

₹ in Lakhs

Particulars	31st March, 2021	31st March, 2020
Short-term employee benefits	**120.28**	*232.54*
Post-employment benefits *	**5.79**	*5.79*
Long-term employee benefits	**2.75**	*4.00*
	128.82	*242.33*

* 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, 2021	31st March, 2020
D. Sivanandhan	**9.00**	*6.50*
Shapoor P. Mistry	**0.50**	*1.50*
Jai L. Mavani	**5.00**	*3.50*
Rani Jadhav	**5.50**	*4.00*
Nikhil Bhatia	**8.50**	*6.50*
Total	**28.50**	*22.00*

Parties in G

Contribution to Post Employment Benefit Plan:

Particulars	31st March, 2021	31st March, 2020
Forbes & Company Limited Employees Provident Fund	**83.77**	*103.44*
	83.77	*103.44*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

40. Related party disclosures (contd.)
Previous Year
(b) transactions/ balances with above mentioned related parties

₹ in Lakhs

		Parties in A above	Parties in B above	Parties in C above	Parties in D above	Parties in E above	Parties in F above	Total
	Balances							
1	Trade Payables and Capital Creditors	975.89	13.22	57.77	653.15	-	-	**1,700.03**
2	Advances received for real estate project	-	-	2,635.81	-	-	-	**2,635.81**
3	Interest accrued on investment / loan	-	25.09	-	-	-	-	**25.09**
4	Trade Receivables	14.73	51.25	12.21	-	-	-	**78.19**
5	Advance for Supply of Goods and Services and Prepaid Exps.	76.69	-	-	-	-	-	**76.69**
6	Contractually reimbursable expenses	-	147.88	185.52	-	-	-	**333.40**
7	Provision for Doubtful Trade Receivables	-	-	10.18	-	-	-	**10.18**
8	Deposits Payable	-	-	49.25	-	23.79	-	**73.04**
9	Deposits Receivable	-	260.00	-	-	-	-	**260.00**
10	Guarantees Given	-	13,526.36	-	-	3,347.79	-	**16,874.15**
11	Guarantees Taken	3,740.55	-	-	-	-	-	**3,740.55**
	Transactions							
	Purchases / Services							
12	Real estate development expenses	5,756.06	-	-	816.09	-	-	**6,572.15**
13	Fixed Assets/ Goods & Materials	32.34	2.13	356.23	-	-	-	**390.70**
	Sales / Services							
14	Fixed Assets / Investments /Business	-	1.50	-	-	-	-	**1.50**
	Expenses							
15	Rent	-	2.25	-	-	-	-	**2.25**
16	Travelling and conveyance expenses	-	2.29	90.08	-	-	-	**92.37**
17	Legal and professional charges	89.54	-	-	-	-	-	**89.54**
18	Repairs and Maintenance	87.51	-	-	-	-	-	**87.51**
19	Selling expenses, commission and brokerage	-	-	-	194.71	-	-	**194.71**
20	Impairment in Value of Investments in Subsidiary	-	1,216.29	-	-	-	-	**1,216.29**
21	Advertisement and sales promotion	-	-	117.04	-	-	-	**117.04**
22	Remuneration	-	-	-	-	-	242.33	**242.33**
23	Miscellaneous expenses and security expenses	-	59.30	0.36	-	-	-	**59.66**
24	Dividend paid	467.96	8.32	-	-	-	-	**476.28**
	Income							
25	Rent and amenities	28.10	66.00	124.71	-	104.69	-	**323.50**
26	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposits	-	189.18	-	-	-	-	**189.18**
27	Guarantee Commission (including Notional Income recognised)	-	74.93	25.49	-	-	-	**100.42**
28	Miscellaneous Income	-	32.40	0.00	-	-	-	**32.40**
	Other Receipts / Payments							
29	Other Reimbursements (Receipt)	-	16.17	123.76	-	-	-	**139.93**
30	Other Reimbursements (Payment)	-	0.58	72.39	157.59	-	-	**230.56**
	Finance							
31	Deposit Given	-	2,262.00	-	-	-	-	**2,262.00**
32	Repayment of Deposits Given	-	2,002.00	-	-	-	-	**2,002.00**
33	Purchase / Subscriptions to Investments	-	1,000.00	-	-	-	-	**1,000.00**
34	Real estate advances received from customers	-	-	611.12	-	-	-	**611.12**

For details of investments in subsidiaries, associates and joint ventures Refer Note 8
Terms and conditions:-

a) All outstanding balances are unsecured and are repayable as per terms of credit and settlement occurs in cash.
b) All related party transactions entered during the year were in ordinary course of business and on arms length basis.
c) The Company has not recorded any impairment of receivables related to amounts owed by related parties except as stated above.

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

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

₹ *in Lakhs*

		A	B	B	B	B	B	B	B	B	C
		Shapoorji Pallonji and Company Private Ltd.	**Eureka Forbes Ltd.**	**Forbes Facility Services Private Ltd.**	**Forbes Campbell Finance Ltd.**	**Forbes Campbell Services Ltd.**	**Forbes Technosys Ltd.**	**Shapoorji Pallonji Forbes Shipping Limited**	**Campbell Properties & Hospitality Services Ltd.**	**Volkart Fleming Shipping & Services Ltd.**	**Forvol International Services Ltd.**
	Balances										
1	Trade Payables and Capital Creditors	975.89	-	***	-	***	-	-	-	-	***
2	Advances received for real estate project	-	-	-	-	-	-	-	-	-	-
3	Interest accrued on investment / loan	-	-	-	***	-	24.31	-	-	-	-
4	Trade Receivables	14.73	***	-	-	-	44.98	***	-	-	***
5	Advance for Supply of Goods and Services and Prepaid Exps.	76.69	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	-	-	-	-	***	142.96	***	-	***	***
7	Provision for Doubtful Trade Receivables	-	-	-	-	-	-	-	-	-	-
8	Deposits Payable	-	-	-	-	-	-	-	-	-	-
9	Deposits Receivable	-	-	-	-	-	260.00	-	-	-	-
10	Guarantees Given	-	-	-	-	-	12,962.00	***	-	-	-
11	Guarantees Taken	3,740.55	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
12	Real estate development expenses	5,756.06	-	-	-	-	-	-	-	-	-
13	Fixed Assets/ Goods & Materials	***	***	-	-	-	-	-	-	-	***
	Sales / Services										
14	Fixed Assets / Investments /Business	-	1.50	-	-	-	-	-	-	-	-
	Expenses										
15	Rent	-	-	-	2.25	-	-	-	-	-	-
16	Travelling and conveyance expenses	-	***	-	-	-	-	-	***	-	90.08
17	Legal and professional charges	89.54	-	-	-	-	-	-	-	-	-
18	Repairs and Maintenance	87.51	-	-	-	-	-	-	-	-	-
19	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	-	-	-
20	Impairment in Value of Investments in Subsidiary	-	-	-	-	-	1,216.29	-	-	-	-
21	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	117.04
22	Remuneration	-	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

₹ *in Lakhs*

		A	B	B	B	B	B	B	B	B	C
		Shapoorji Pallonji and Company Private Ltd.	**Eureka Forbes Ltd.**	**Forbes Facility Services Private Ltd.**	**Forbes Campbell Finance Ltd.**	**Forbes Campbell Services Ltd.**	**Forbes Technosys Ltd.**	**Shapoorji Pallonji Forbes Shipping Limited**	**Campbell Properties & Hospitality Services Ltd.**	**Volkart Fleming Shipping & Services Ltd.**	**Forvol International Services Ltd.**
23	Miscellaneous expenses and security expenses	-	***	30.51	-	28.70	-	-	-	-	-
24	Dividend paid	467.96	-	-	***	-	-	-	-	-	-
	Income										
25	Rent and amenities	***	-	-	-	-	54.00	***	-	-	***
26	Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit	-	-	-	47.93	-	32.08	109.17	-	-	-
27	Guarantee Commission (including Notional Income recognised)	-	-	-	-	-	71.88	***	-	-	-
28	Miscellaneous Income	-	***	-	***	***	27.00	5.40	-	***	-
	Other Receipts / Payments										
29	Other Reimbursements (Receipt)	-	-	-	-	***	-	-	-	14.35	***
30	Other Reimbursements (Payment)	-	-	-	-	-	***	-	-	-	-
	Finance										
31	Deposit Given	-	-	-	-	-	2,262.00	-	-	-	-
32	Repayment of Deposits Given	-	-	-	-	-	2,002.00	-	-	-	-
33	Purchase / Subscriptions to Investments	-	-	-	-	-	1,000.00	-	-	-	-
34	Real estate advances received from customers	-	-	-	-	-	-	-	-	-	-

**** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).*

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

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

₹ *in Lakhs*

		C	C	C	C	C	C	C	D	E	E
		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.**	**Shapoorji Pallonji Bumi Armada Offshore Ltd**	**HPCL Shapoorji Energy Ltd.**
	Balances										
1	Trade Payables and Capital Creditors	-	-	-	-	-	***	-	653.15	-	-
2	Advances received for real estate project	-	-	-	-	-	-	2,635.81	-	-	-
3	Interest accrued on investment / loan	-	-	-	-	-	-	-	-	-	-
4	Trade Receivables	***	-	***	-	10.18	-	-	-	-	-
5	Advance for Supply of Goods and Services and Prepaid Exps.	-	-	-	-	-	-	-	-	-	-
6	Contratually reimbursable expenses	***	127.23	-	48.86	-	-	-	-	-	-
7	Provision for Doubtful Trade Receivables	-	-	-	-	10.18	-	-	-	-	-
8	Deposits Payable	-	-	***	48.25	-	-	-	-	-	23.79
9	Deposits Receivable	-	-	-	-	-	-	-	-	-	-
10	Guarantees Given	-	-	-	-	-	-	-	-	3,347.79	-
11	Guarantees Taken	-	-	-	-	-	-	-	-	-	-
	Transactions										
	Purchases / Services										
12	Real estate development expenses	-	-	-	-	-	-	-	816.09	-	-
13	Fixed Assets/ Goods & Materials	-	-	-	-	-	328.62	-	-	-	-
	Sales / Services										
14	Fixed Assets / Investments /Business	-	-	-	-	-	-	-	-	-	-
	Expenses										
15	Rent	-	-	-	-	-	-	-	-	-	-
16	Travelling and conveyance expenses	-	-	-	-	-	-	-	-	-	-
17	Legal and professional charges	-	-	-	-	-	-	-	-	-	-
18	Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-
19	Selling expenses, commission and brokerage	-	-	-	-	-	-	-	194.71	-	-
20	Impairment in Value of Investments in Subsidiary	-	-	-	-	-	-	-	-	-	-
21	Advertisement and sales promotion	-	-	-	-	-	-	-	-	-	-
22	Remuneration	-	-	-	-	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

₹ in Lakhs

		C	C	C	C	C	C	C	D	E	E
		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.***	***Shapoorji Pallonji Bumi Armada Offshore Ltd***	***HPCL Shapoorji Energy Ltd.***
23	*Miscellaneous expenses and security expenses*	***	-	-	-	-	-	-	-	-	-
24	*Dividend paid*	-	-	-	-	-	-	-	-	-	-
	Income										
25	*Rent and amenities*	***	-	***	112.01	-	-	-	-	-	104.69
26	*Gain on fair value / interest of long-term investments in a subsidiary company / Interest on Inter Corporate Deposit*	-	-	-	-	-	-	-	-	-	-
27	*Guarantee Commission (including Notional Income recognised)*	-	-	-	25.49	-	-	-	-	-	-
28	*Miscellaneous Income*	***	-	-	-	-	-	-	-	-	-
	Other Receipts / Payments										
29	*Other Reimbursements (Receipt)*	-	121.85	-	-	-	-	-	-	-	-
30	*Other Reimbursements (Payment)*	-	72.39	-	-	-	-	-	157.59	-	-
	Finance										
31	*Deposit Given*	-	-	-	-	-	-	-	-	-	-
32	*Repayment of Deposits Given*	-	-	-	-	-	-	-	-	-	-
33	*Purchase / Subscriptions to Investments*	-	-	-	-	-	-	-	-	-	-
34	*Real estate advances received from customers*	-	-	-	-	-	-	611.12	-	-	-

**** Amounts are below the threshold adopted by the Company (i.e. less than 10% of the respective category of transactions).*

41. Segment reporting

The Chief Operating Decision maker of the Company examines Company's performance both from a product and from a geographic perspective. From a product perspective, the management has identified the reportable segments Engineering and Real Estate at standalone level.

Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

Details of product categories included in each segment comprises:

Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems. The Company caters to the needs of domestic and export markets.

Real Estate includes income from renting out investment properties and revenue from real estate development project.

Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities not identifiable to any specific segment.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

(a) Information about reportable segments for the year:

₹ in Lakhs

Particulars	Engineering		Real Estate		Total		Elimination		Total	
	31st Mar., 2021	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*
Segment Revenue	**15,935.39**	*17,640.60*	**40,300.93**	*1,847.40*	**56,236.32**	*19,488.00*	**-**	*-*	**56,236.32**	*19,488.00*
Inter segment revenue	**-**	*-*	**2.09**	*1.76*	**2.09**	*1.76*	**(2.09)**	*(1.76)*	**-**	*-*
Revenue from operations	**15,935.39**	*17,640.60*	**40,303.02**	*1,849.16*	**56,238.41**	*19,489.76*	**(2.09)**	*(1.76)*	**56,236.32**	*19,488.00*
Segment Results	**1,564.41**	*(1,429.64)*	**12,768.53**	*636.42*	**14,332.94**	*(793.22)*	**-**	*-*	**14,332.94**	*(793.22)*
Exceptional items allocated to segments	**-**	*-*	**(99.90)**	*-*	**(99.90)**	*-*	**-**	*-*	**(99.90)**	*-*
Segment Results - (including exceptional items relating to segment)	**1,564.41**	*(1,429.64)*	**12,668.63**	*636.42*	**14,233.04**	*(793.22)*	**-**	*-*	**14,233.04**	*(793.22)*
Add: Unallocated income - Refer Note below									**502.36**	*573.00*
Add/Less: Unallocated expenses									**(1,111.17)**	*(655.18)*
Add/Less: Exceptional items other than related to segments (net)									**(11,337.95)**	*(518.11)*
Profit before tax and finance costs									**2,286.28**	*(1,393.51)*
Less: Finance costs									**1,375.72**	*1,184.27*
Profit before tax									**910.56**	*(2,577.78)*
Provision for taxation:										
Current tax expense									**-**	*-*
Deferred tax									**4,013.39**	*(122.60)*
Profit after tax									**(3,102.83)**	*(2,455.18)*
Capital employed										
Segment assets	**15,298.65**	*15,946.50*	**14,562.44**	*36,764.00*					**29,861.09**	*52,710.50*
Unallocated corporate assets									**22,969.17**	*33,688.00*
Total assets									**52,830.26**	*86,398.50*
Segment liabilities	**9,163.15**	*10,045.52*	**17,174.37**	*46,805.78*					**26,337.52**	*56,851.30*
Unallocated corporate liabilities									**9,463.37**	*9,381.48*
Total liabilities									**35,800.89**	*66,232.78*
Capital employed	**6,135.50**	*5,900.98*	**(2,611.93)**	*(10,041.78)*					**17,029.37**	*20,165.72*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**326.66**	*5,822.85*	**-**	*0.29*					**326.66**	*5,823.14*
Unallocated cost incurred to acquire assets including adjustments on account of capital work-in-progress									**-**	*18.46*
Total capital expenditure (including investment properties)									**326.66**	*5,841.60*
Segment depreciation / amortisation	**1,151.04**	*880.22*	**232.80**	*226.84*					**1,383.84**	*1,107.06*
Unallocated corporate depreciation / amortisation									**45.26**	*103.34*
Total depreciation / amortisation									**1,429.10**	*1,210.40*
Non-cash segment expenses other than depreciation	**23.62**	*155.33*	**1.00**	*-*					**24.62**	*155.33*
Unallocated non-cash expenses other than depreciation									**1.70**	*-*
Total non-cash expenses other than depreciation									**26.32**	*155.33*

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, 2021 - Continued

(b) Information about geographical segment for the year

	Within india		Outside india		Total	
	31st Mar., 2021	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*
Revenue	**54,076.20**	*17,645.61*	**2,160.12**	*1,842.39*	**56,236.32**	*19,488.00*
Total Non-current Assets (excluding Financial Assets, Tax Assets and Post Employment Benefits)	**12,360.19**	*13,732.32*	-	-	**12,360.19**	*13,732.32*
Cost incurred to acquire segment assets including adjustments on account of capital work-in-progress	**326.66**	*5,841.60*	-	-	**326.66**	*5,841.60*

(c) Information about major customers

No single customers contributed 10% or more to the Company's revenue for the year ended 31st March, 2021 and 31st March, 2020.

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., 2021	Maximum amount outstanding during the year	No. of shares of the Company held by the loanees as at 31st Mar., 2021
	Loans and advances in the nature of loans to Subsidiaries, Associates and companies in which Directors are interested:				
1.	Svadeshi Mills Company Limited	★	**4,391.78**	**4,391.78**	-
	(carrying no interest)	★	*4,391.78*	*4,391.78*	-
2.	Coromondal Garments Limited (Refer note 44)		-	-	-
	(carrying no interest)	★	-	*364.99*	-
3.	Edumetry Inc.	★	**72.53**	**72.53**	-
	(carrying no interest)	★	*72.53*	*72.53*	-
4.	Forbes Container Lines Pte. Limited	★	**302.47**	**302.47**	-
	(carrying no interest)	★	*302.47*	*302.47*	-
5.	Forbes Technosys Limited (including interest accrued)	★	**3,459.28**	**3,459.28**	-
	(carrying interest)		*284.31*	*1,288.11*	-

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, 2021 *(31st March, 2020 ₹ 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).

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 on the belief that it was a remote future possibility that ₹ 1,017.04 Lakhs would become refundable upon the final outcome of this matter.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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.

The Company had separately filed its Affidavit of Claim for receipt ₹ 325.00 Lakhs along with interest at the bank rate with the Official Liquidator.

During the year ended 31st March, 2020, 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). Accordingly, the Company has recorded ₹ 698.18 Lakhs (i.e. ₹ 744.18 Lakhs recoverable based on adjudication order from the Official Liquidator, net of interest provided of ₹ 46.00 Lakhs - reflected under 'Other Provisions' under Note 19A) as exceptional income during the year ended 31st March, 2020.

45. Leases

Lessee accounting

The Company leases various office premises and land. Rental contracts typically range from 9 months to 15 years but may have extension options. The Company has adopted Ind AS 116 using the modified retrospective approach from 1st April, 2019. On adoption of Ind AS 116, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at 10% as of 1st April, 2019.

(i) Amounts recognized in Balance Sheet

The balance sheet shows the following amounts relating to leases:

Particulars	**31st Mar., 2021**	*31st Mar., 2020*
Right-of-use assets		
Office premises	**193.78**	*335.50*
Land	**18.87**	*23.45*
Total	**212.65**	*358.95*

Particulars	**31st Mar., 2021**	*31st Mar., 2020*
Lease liabilities		
Non-current	**195.57**	*284.88*
Current	**17.75**	*68.93*
Total	**213.32**	*353.81*

Additions to right-of-use asset during the current financial year were ₹ 117.94 Lakhs *(Previous year ₹ 94.77 Lakhs)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

(ii) Right-of-use assets for the year ended 31st March, 2021.

Particulars	Office Premises		Land	
	31st Mar., 2021	*31st Mar., 2020*	**31st Mar., 2021**	*31st Mar., 2020*
Cost or Deemed cost				
Balance at 1st April, 2020/ 1st April, 2019	415.26	-	23.61	-
Adjustment for change in accounting policy as on 1st April, 2019	-	*337.70*	-	*23.61*
Additions	117.94	*94.77*	-	-
Disposals	305.81	*17.21*	4.57	-
Balance at 31st March, 2021/ 31st March, 2020	**227.39**	*415.26*	**19.04**	*23.61*
Accumulated depreciation				
Balance at 1st April, 2020/ 1st April, 2019	79.76	-	0.16	-
Depreciation expense for the year	53.43	*81.19*	0.12	*0.16*
Disposals	99.58	*1.43*	0.11	-
Balance at 31st March, 2021	**33.61**	*79.76*	**0.17**	*0.16*
Carrying Amount				
Balance at 31st March, 2021	**193.78**	*335.50*	**18.87**	*23.45*

(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., 2021**	*31st Mar., 2020*
Depreciation charge of right-of-use assets		
Office Premises	53.43	*81.19*
Land	0.12	*0.16*
Total	**53.55**	*81.35*
Interest expense on lease liability (included in finance cost)	23.19	*33.75*
Expense relating to short term leases (Included in Other Expenses)	5.80	*0.04*
Expense relating to low value assets that are not shown above as short term leases (Included in Other Expenses)	15.17	*13.40*
Total	**97.71**	*128.54*

The total cash outflow for leases in year ended 31st March, 2021 was ₹ 66.91 Lakhs *(Previous year ₹ 96.31 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 ₹ 214.78 Lakhs and ₹ 210.69 Lakhs respectively *(Previous Year ₹ 16.82 Lakhs and ₹ 15.78 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, 2021 - Continued

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

₹ in Lakhs

Name		During the year Given	During the year Returned	Closing balance		Period	Rate of Interest (%)	Purpose
A	**Investments made (refer Note 8)**	-	-					General corporate purpose
		1,000.00	-					
B	**Loans given**							
1	Svadeshi Mills Company Limited	-	-	**4,391.78**	*	**N.A.**	**N.A.**	General corporate purpose
		-	-	*4,391.78*	*	*N.A.*	*N.A.*	
2	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	**3,197.50**	**125.00**	**3,332.50**	*	**On Demand**	11.00%	General corporate purpose
		2,262.00	*2,002.00*	**260.00**		*On Demand*	*10.80%*	
C	**Guarantees given**							
1	Shapoorji Pallonji Bumi Armada Offshore Limited	-	**3,347.79**	-	@	**N.A.**	**N.A.**	N.A.
		-	-	*3,347.79*	@	*N.A.*	*N.A.*	*N.A.*
2	Forbes Technosys Limited	-	**4,473.28**	**8,488.72**		**Continuing for working capital and 3 years for General corporate purpose**	**N.A.**	Working Capital and General corporate purpose
		-	*4,958.00*	*12,962.00*			*N.A.*	
3	Shapoorji Pallonji Forbes Shipping Limited	-	**78.62**	**485.74**	**	**1 year**	**N.A.**	General corporate purpose
		Nil	-	*564.36*	**	*1 year*	*N.A.*	

Note:

* Provided as doubtful
@ Guarantee given Nil *(Previous year $ 44,75,000)*.
** Guarantee given $ 6,62,697 *(Previous year $ 7,54,382)*.
# Refer note 44 for further details.
Figures in italics are in respect of the previous years.

47. Net debt reconciliation

₹ in Lakhs

	As at 31st Mar., 2021	*As at 31st Mar., 2020*
Short Term Borrowings	**(3,765.43)**	*(7,276.81)*
Long Term Borrowings	**(5,823.57)**	*(6,775.83)*
Current Maturities of Long Term Borrowings	**(5,536.02)**	*(4,487.77)*
Lease Liability	**(213.32)**	*(353.81)*
Total debt	**(15,338.34)**	*(18,894.22)*
Cash and Cash equivalents	**2,170.53**	*190.59*
Net debt	**(13,167.81)**	*(18,703.63)*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - 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, 2020	**190.59**	**(11,263.60)**	**(7,276.81)**	**(353.81)**	**(18,703.63)**
Cash flows (net)	1,979.94	(91.97)	3,511.38	66.91	5,466.26
Interest expense	-	(1,112.09)	(563.14)	(23.19)	(1,698.42)
Interest paid *	-	1,108.07	563.14	-	1,671.21
Non cash movements for acquisitions and disposals	-	-	-	96.77	96.77
Net debt as at 31st March, 2021	**2,170.53**	**(11,359.59)**	**(3,765.43)**	**(213.32)**	**(13,167.81)**

* The interest paid during the year includes Nil *(Previous year ₹ 252.79 Lakhs)* in respect of interest costs capitalised for the property, plant and equipment in accordance with Ind AS 23 and interest expense on loans for real estate development activites amounting to ₹ 363.49 Lakhs *(Previous year ₹ 393.90 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, 2019	*824.18*	*(11,773.49)*	*(5,313.11)*	*-*	*(16,262.42)*
Recognised on adoption of Ind AS 116 (refer Note 45)	*-*	*-*	*-*	*(337.70)*	*(337.70)*
Cash flows (net)	*(633.59)*	*443.53*	*(1,963.70)*	*96.31*	*(2,057.45)*
Interest expense	*-*	*(1,087.92)*	*(659.20)*	*(33.75)*	*(1,780.87)*
*Interest paid **	*-*	*1,154.28*	*659.20*	*-*	*1,813.48*
Non cash movements for acquisitions and disposals	*-*	*-*	*-*	*(78.67)*	*(78.67)*
Net debt as at 31st March, 2020	*190.59*	*(11,263.60)*	*(7,276.81)*	*(353.81)*	*(18,703.63)*

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, 2021	4,775.73	231.41	4,544.32
Total	**4,775.73**	**231.41**	**4,544.32**
31st March, 2020	*3,651.96*	*142.80*	*3,509.16*
Total	*3,651.96*	*142.80*	*3,509.16*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

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.

49. Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	**Notes**	**As at 31st Mar., 2021**	*As at 31st Mar., 2020*
Current			
Floating charge			
Financial Assets			
- Trade receivables	9	**3,452.11**	*2,507.02*
- Cash and cash equivalents	13A	**2,170.53**	*190.59*
- Bank balances other than above	13B	**259.52**	*186.99*
- Loans	10B	**2.62**	*269.37*
- Other financial assets	11B	**907.24**	*1,104.40*
- Other current assets	14B	**833.61**	*993.96*
		7,625.63	*5,252.33*
Non-financial assets			
- Inventories	12	**2,823.49**	*3,118.35*
Total current assets pledged as security		**10,449.12**	*8,370.68*
Non-current			
Specific charge			
- Leasehold land	5	**10.47**	*10.65*
- Freehold buildings	5	**3,577.46**	*3,786.12*
- Plant & Machinery	5	**5,064.79**	*5,799.79*
- Furniture & fixtures	5	**34.63**	*49.34*
- Office equipments	5	**10.60**	*19.04*
- Investment properties	6	**103.34**	*198.00*
- Capital work-in-progress	5.1	**197.85**	*115.47*
Total non-currents assets pledged as security		**8,999.14**	*9,978.41*
Total assets pledged as security		**19,448.26**	*18,349.09*

Note:

Certain loans taken by a subsidiary, Forbes Technosys Limited (FTL) are backed by 1st Pari-passu charge on property owned by the Company situated at Wagle Estate Thane with carrying value amount ₹ 0.67 Lakhs *(Previous year ₹ 1.06 Lakhs).*

50. Ind AS 115 ‘Revenue from Contracts with Customers’, a new accounting standard notified by the Ministry of Corporate Affairs (MCA) on 28th March, 2018 was effective from accounting period beginning on or after 1st April, 2018 and replaced the then existing revenue recognition standards. The application of Ind AS 115 had significant bearing on the Company’s accounting for recognition of revenue from real estate development projects.

The Company had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating ₹ 5,083.12 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018.

Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers, the Company has recognised revenue of ₹ 38,652.53 Lakhs for the year ended 31st March, 2021.

Revenue is measured as the fair value of consideration which the Company expects to be entitled to in exchange of transferring the property to the customer (excluding amounts collected on behalf of third parties e.g. taxes).

Any costs incurred that do not contribute to satisfying performance obligations are excluded from the Company's method of revenue recognition as the amounts are not reflective of transferring control to the customer.

Reconciliation of revenue recognised in the Standalone Statement of Profit and Loss.

(₹ in Lakhs)

Particulars	**Year ended**
Contract price of the revenue recognised (pertaining to performance obligations completed)	41,421.15
Less: Customer incentives/ discounts / other considerations	(2,768.62)
Income from real estate contracts recognised in the Statement of Profit and Loss	38,652.53

The Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due) are reflected as trade receivables. Contract liability (reflected as Advances from customers under Other Current Liabilities) is the obligation to transfer goods or services to a customer for which the Company has received consideration.

There were no significant changes in the composition of Contract Liabilities and Trade Receivables during the reporting period other than on account of periodic invoicing and revenue recognition.

51. The COVID-19 pandemic has severely disrupted world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted in FY'21 due to shutdown of plants, real estate development project and offices following the nationwide lockdown. The Company commenced with its operations in a phased manner in line with the directives from the authorities.

The Company has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the second wave in the country) on the 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 statements for the year ended 31st March, 2021. 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 statements. The Company will continue to monitor any material changes to future economic conditions.

52. During the year ended 31st March, 2021, Forbes Technosys Limited (FTL) has incurred a total comprehensive loss of ₹ 13,198.69 Lakhs, has accumulated losses of ₹ 27,462.51 Lakhs, its current liabilities exceeded current assets by ₹ 13,941.17 Lakhs.

FTL has suffered a setback in the last few years which is temporary in nature due to muted demand and stress in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom. The entry of several local players in the e-payments space and heightened competition has put additional pressure on the margin of FTL.

The Covid-19 pandemic has severely disrupted business operations around the world due to global lockdown and other emergency measures imposed by various governments. This has also impacted the operations of FTL as its manufacturing units and offices had to be completely shut-down multiple times during 2020 till date. Also, supply chain for critical electronic components required for sales and services were affected since January 2020, which eventually affected performance during the year ended 31st March, 2021. The present situation coupled with the impact of Covid-19 had resulted in a decline in the recoverable value of investment in FTL, consequent to which an impairment provision on investments of ₹ 7,650.00 Lakhs *(Previous Year ₹ 1,216.29 Lakhs)*, Impairment of financial assets in subsidiary company amounting to ₹ 328.57 Lakhs *(Previous year Nil)* and impairment provision on inter-corporate deposits (including interest accrued thereon) of ₹ 3,459.28 Lakhs *(Previous Year Nil)* had been created during the year ended 31st March, 2021.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2021 - Continued

Further, the Company also has an exposure in FTL of ₹ 8,488.72 Lakhs pertaining to guarantees given. However, no invocation of these guarantees is expected in view of the necessary direct or indirect support to FTL by the Ultimate Holding Company.

53. The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 have, inter alia, approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") [presently wholly owned subsidiaries of Eureka Forbes Limited ("EFL")] with and into EFL and amalgamation and vesting of EFL with and into the Company.

Further, upon the above part of the Scheme becoming effective, Demerger and vesting of Demerged Undertaking (as defined in the Scheme) of the Company into Forbes Enviro Solutions Limited (presently wholly owned subsidiary of EFL) ("FESL"), on a going concern basis would take place. Upon, the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

The Scheme as aforesaid is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, shareholders and creditors of the companies, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required. The Company has received the approval of BSE and the matter is now with NCLT.

54. The Board of Directors of the Holding Company, in their meeting held on 22nd December, 2020, approved entering Memorandum of Understanding ("MOU") for sale of approximately 3.804 acres of land at Chandivali (net book value as on 31st March, 2021 aggregating ₹ 38.62 Lakhs) for a consideration of ₹ 20,000.00 Lakhs ("Proposed Transaction").

The parties were required to execute the agreement for sale on or before 15th May, 2021. The Company has entered into Agreement for Sale (AFS) subsequent to the year end. The completion of the transaction subject to fulfilment of various conditions precedent as stated in the AFS is expected to be completed during the year ending 31st March, 2022.

55. The Company and Paikar Real Estates Private Limited (hereinafter known as "PREPL") (a fellow subsidiary) are each independently entitled to 50% of the saleable area, 50% of the rights in the permissible Floor Space Index and for their own individual development and consequent sale of their respective individual flats for the real estate development operations under "Project Vicinia" at a plot of land situated at Chandivali, Mumbai being developed.

56. Previous year figures have been regrouped/ reclassified, wherever necessary to conform to current year classification.

57. The financial statements were approved by the Board of Directors of the Company at their respective meetings held on 25th June, 2021.

Signature to notes 1 to 57

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/N500016
Chartered Accountants

Sarah George
Partner
Membership Number: 045255

NIRMAL JAGAWAT
Chief Financial Officer

PANKAJ KHATTAR
Company Secretary
Membership No : F5300

Place: Mumbai
Date: 25th June, 2021

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: 25th June, 2021

Forbes & Company Limited

Statement of Standalone Unaudited Financial Results for the quarter ended 30th June, 2021

(Rs. in Lakhs)

	Particulars	Quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Unaudited)	(Refer Note 8)	(Unaudited)	(Audited)
1	**Income**				
	Revenue from operations	5,430	44,311	2,091	56,236
	Other income	112	175	91	1,337
	Total Income	5,542	44,486	2,182	57,573
2	**Expenses**				
	Real estate development costs	403	2,300	614	4,602
	Cost of materials consumed	1,861	2,144	792	5,761
	Purchases of stock-in-trade	11	(283)	24	84
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(512)	24,922	(501)	22,926
	Employee benefits expense	1,101	1,440	882	4,238
	Finance costs	328	325	354	1,376
	Depreciation and amortisation expense	314	347	363	1,429
	Other expenses	1,368	1,500	630	4,808
	Total expenses	4,874	32,695	3,158	45,224
3	**Profit / (Loss) before exceptional items and tax**	668	11,791	(976)	12,349
4	Exceptional items (Net) (Refer Note 3 below)	(1,710)	(6,253)	-	(11,438)
5	**Profit / (Loss) before tax**	(1,042)	5,538	(976)	911
6	**Tax expense**				
	Current tax	-	-	-	-
	Deferred tax	-	4,013	-	4,013
		-	4,013	-	4,013
7	**Profit / (Loss) after tax**	(1,042)	1,525	(976)	(3,102)
8	**Other Comprehensive Income**				
	(i) Items that will not be reclassified to Statement of Profit or Loss				
	Remeasurement of the defined benefit plans	-	25	(20)	(45)
	(ii) Income tax relating to items that will not be reclassified to Statement of Profit or Loss				
	Deferred tax	-	11	-	11
	Other Comprehensive Income (net of tax)	-	36	(20)	(34)
9	**Total Comprehensive Income / (Loss) for the period / year**	(1,042)	1,561	(996)	(3,136)
10	**Paid-up equity share capital**	1,290	1,290	1,290	1,290
	(Face Value of Rs. 10 each)				
11	**Other equity (excluding Revaluation Reserve)**				15,739
12	**Basic and diluted earnings per equity share (after exceptional items)**	Rs.(8.08)	Rs.11.82	Rs.(7.57)	Rs.(24.05)
	(Quarter figures not annualised)				

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Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified two operating segments viz., Engineering and Real Estate.

(Rs. in Lakhs)

		Quarter ended			Year ended
		30.06.2021	**31.03.2021**	*30.06.2020*	*31.03.2021*
		(Unaudited)	**(Refer Note 8)**	*(Unaudited)*	*(Audited)*
1	**Segment Revenue**				
	(a) Engineering	**4,508**	5,285	1,635	15,935
	(b) Real Estate	**923**	39,026	457	40,303
	Total	**5,431**	44,311	2,092	56,238
	Less: Inter Segment Revenue	**1**	-	1	2
	Total revenue from operations (net)	**5,430**	44,311	2,091	56,236
2	**Segment Results [Profit / (Loss) before Tax and Interest from each Segment (including exceptional items related to segments)]**				
	(a) Engineering	**707**	1,034	(892)	1,564
	(b) Real Estate	**467**	11,318	329	12,669
	Total segment results	**1,174**	12,352	(563)	14,233
	Less: Finance costs	**(328)**	(325)	(354)	(1,376)
	Balance	**846**	12,027	(917)	12,857
	Add: Unallocable income / (expense) (net) [including exceptional items]	**(1,888)**	(6,489)	(59)	(11,946)
	Profit / (Loss) before tax	**(1,042)**	5,538	(976)	911
3	**Segment Assets**				
	(a) Engineering	**16,234**	15,299	15,152	15,299
	(b) Real Estate	**14,600**	14,562	37,412	14,562
	(c) Unallocated	**22,747**	22,969	33,797	22,969
	Total Assets	**53,581**	52,830	86,361	52,830
4	**Segment liabilities**				
	(a) Engineering	**9,689**	9,163	9,850	9,163
	(b) Real Estate	**18,482**	17,174	47,844	17,174
	(c) Unallocated	**9,422**	9,464	9,497	9,464
	Total Liabilities	**37,593**	35,801	67,191	35,801

Notes on Segment Information:

1. 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.

2. Details of product categories included in each segment comprises:
   a) 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.
   b) Real Estate includes income from renting out investment properties and revenue from real estate development project.
   c) Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.
   d) Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.

3. Other income allocable to respective segments has been considered as part of Segment Results.

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NOTES:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 13th August, 2021 and have been subjected to a Limited Review by the statutory auditors of the Company in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The above financial results of the Company have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed and Section 133 of Companies Act, 2013 read with the relevant rules issued there under and other accounting principles generally accepted in India.

3. Exceptional items:

(Rs. in Lakhs)

		Quarter ended			*Year ended*
		30.06.2021	*31.03.2021*	*30.06.2020*	*31.03.2021*
		(Unaudited)	*(Refer Note 8)*	*(Unaudited)*	*(Audited)*
(i)	Impairment of investments, loans (including interest accrued thereon) and other receivables in a subsidiary	**(1,480)**	*(6,253)*	-	*(11,438)*
(ii)	Expected outflow for disputed matters	**(230)**	-	-	-
	Total	**(1,710)**	*(6,253)*	-	*(11,438)*

(i) Forbes Technosys Limited (FTL), a subsidiary, has incurred a total comprehensive loss of Rs. 852 Lakhs for the quarter ended 30th June, 2021. Its accumulated losses aggregates Rs. 28,362 Lakhs and its current liabilities exceeded current assets by Rs. 12,818 Lakhs as at 30th June, 2021.

FTL has suffered a setback in the last few years which is temporary in nature due to muted demand and stress in some of the key sectors that FTL has been traditionally dependent on, such as banking and telecom. The entry of several local players in the e-payments space and heightened competition has put additional pressure on the margins of FTL.

The Covid-19 pandemic has severely disrupted business operations around the world due to global lockdown and other emergency measures imposed by various governments. This has also impacted the operations of FTL as its manufacturing units and offices had to be completely shut-down multiple times during 2020 till date. Also, supply chain for critical electronic components required for sales and services were affected since January 2020, which eventually affected performance during the year ended 31st March, 2021 and the quarter ended 30th June, 2021. The present situation coupled with the impact of Covid-19 had resulted in a decline in the recoverable value of the investment/ other assets in FTL, consequent to which an impairment provision/ loss allowance as follows has been created:

- On Investments of Rs. 2,465 Lakhs and Rs 7,650 Lakhs respectively for the quarter and year ended 31st March 2021
- On Financial assets aggregating Rs. 329 Lakhs for the quarter and year ended 31st March, 2021
- On inter-corporate deposits (including interest accrued thereon) of Rs. 3,459 Lakhs for the quarter and year ended 31st March 2021 and Rs. 1,480 Lakhs for the quarter ended 30th June, 2021.

Inter-corporate deposits (including interest accrued thereon) of Rs. 3,000 Lakhs has been converted into equity investments during the quarter and deposits of Rs. 1,800 Lakhs (including interest accrued thereon) has been converted into equity investments subsequent to the quarter ended 30th June, 2021.

Further, the Company also has an exposure in FTL of Rs. 7,346 Lakhs pertaining to guarantees given. However, no invocation of these guarantees is expected in view of the necessary direct or indirect support to FTL by the Ultimate Holding Company.

(ii) The Company had received Rs. 1,017 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of Rs. 365 Lakhs in earlier years which was reversed on receipt of Rs. 1,017 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 Rs. 1,017 Lakhs with interest. Consequently, the Company refunded Rs. 1,056 Lakhs (including interest calculated from the date of the order till the date of payment aggregating Rs. 39 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

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from the date the amount was received by the Company amounting to Rs. 276 Lakhs (of which the Company had provided for Rs. 46 Lakhs and Rs. 230 Lakhs was disclosed as a contingent liability) and appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of Rs. 744 Lakhs (comprising Rs. 325 Lakhs towards loan and Rs. 419 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of Rs. 276 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 Rs. 468 Lakhs after adjusting interest amount of Rs. 276 Lakhs from the total adjudicated claim of Rs. 744 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official Liquidator to pay an amount of Rs. 468 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for Rs. 230 Lakhs in addition to the Rs. 46 Lakhs provided earlier and recorded the expense as an exceptional item for the quarter ended 30th June, 2021.

4. 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 existing revenue recognition standards. The application of Ind AS 115 has a significant bearing on the Company's accounting for recognition of revenue from real estate development projects.

   The Company had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018.

   Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers before the year ended 31st March, 2021, the Company has recognised revenue of Rs. 38,653 Lakhs during the quarter and year ended 31st March, 2021 and Rs. 494 Lakhs for the quarter ended 30th June, 2021.

5. The COVID-19 pandemic has severely disrupted the world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Company were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Company commenced with its operations in a phased manner in line with the directives from the authorities.

   The Company has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the second wave in the country) on the 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 quarter ended 30th June, 2021. 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.

6. The Board of Directors of the Company at their Board Meeting held on 8th September, 2020 have, inter alia, approved the Composite Scheme of Arrangement ("Scheme") under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

   The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") [presently wholly owned subsidiaries of Eureka Forbes Limited ("EFL")] with and into EFL and amalgamation and vesting of EFL with and into the Company.

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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 (presently wholly owned subsidiary of EFL) ("FESL"), on a going concern basis would take place. Upon, the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

The Scheme as aforesaid is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, shareholders and creditors of the companies, as may be applicable, Jurisdictional Bench of National Company Law Tribunal ("NCLT") and such other statutory and regulatory approvals as may be required. The Company has received the approval of BSE and the matter is now with NCLT.

7. 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 (net book value as on 31st March, 2021 aggregating Rs. 38 Lakhs reflected as 'Asset Held for Sale') for a consideration of Rs. 20,000 Lakhs ("Proposed Transaction").

   The parties were required to execute the agreement for sale on or before 15thMay, 2021. The Company has entered into Agreement for Sale (AFS) during the quarter ended 30th June, 2021. The completion of the transaction subject to fulfilment of various conditions precedent as stated in the AFS is expected to be completed during the year ending 31st March, 2022.

8. The figures for the quarter ended 31st March, 2021 are the balancing figures between audited figures in respect of the full financial year ended 31st March, 2021 as reported in these financial results and unaudited published year to date figures up to the third quarter ended 31st December, 2020 which were subjected to Limited Review by the Statutory Auditors.

9. Figures for the previous periods are re-classified / re-arranged / regrouped, wherever necessary, to correspond with the current period's classification / disclosure.

For Forbes & Company Limited

(Mahesh Tahilyani)
Managing Director
DIN : 01423084

Mumbai, 13th August, 2021

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

1. We have reviewed the unaudited financial results of Forbes & Company Limited (the "Company") for the quarter ended June 30, 2021 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended 30th June, 2021' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, 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, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our 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. 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 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.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw your attention to Note 5 to the standalone financial results which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The Company believes that no additional adjustments are required in the financial results, however, in view of various preventive measures taken (such as lock-downs and travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

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

Sarah George
Partner
Membership Number: 045255
UDIN: 21045255AAAAKQ8698

Place: Mumbai
Date: August 13, 2021

Statement of Consolidated Unaudited Financial Results for the quarter ended 30th June, 2021

(Rs. in Lakhs)

	Particulars	Quarter ended			Year ended
		30.06.2021	31.03.2021	30.06.2020	31.03.2021
		(Unaudited)	(Refer Note 17)	(Unaudited)	(Audited)
	Continuing Operations				
1	**Income**				
	Revenue from operations (Refer Note 12 below)	**54,545**	*107,269*	*41,804*	*285,679*
	Other income	**43**	*3,210*	*363*	*8,024*
	Total Income	**54,588**	*110,479*	*42,167*	*293,703*
2	**Expenses**				
	Real estate development costs	**403**	*2,300*	*614*	*4,602*
	Cost of materials consumed	**12,959**	*17,933*	*7,896*	*64,929*
	Purchases of stock-in-trade	**4,508**	*8,878*	*1,450*	*24,248*
	Changes in inventories of finished goods, work-in-progress and stock-in-trade, spares and accessories	**836**	*26,146*	*1,988*	*24,966*
	Employee benefits expense	**12,951**	*15,938*	*14,843*	*61,873*
	Finance costs	**1,875**	*1,459*	*2,347*	*8,684*
	Depreciation and amortisation expense	**1,763**	*2,134*	*2,685*	*9,725*
	Other expenses	**19,566**	*25,058*	*14,418*	*86,150*
	Total expenses	**54,861**	*99,846*	*46,241*	*285,177*
3	**Profit/ (Loss) before exceptional items, Share of net profits of investments accounted for using equity method and tax**	**(273)**	*10,633*	*(4,074)*	*8,526*
4	**Share of Profit / (Loss) of Associates / Joint ventures (net)**	**204**	*307*	*84*	*834*
5	**Profit /(Loss) before exceptional items and tax**	**(69)**	*10,940*	*(3,990)*	*9,360*
6	Exceptional items (Net) (Refer Note 3 below)	**(230)**	*(8,175)*	*-*	*(12,146)*
7	**Profit/ (Loss) before tax from continuing operations**	**(299)**	*2,765*	*(3,990)*	*(2,786)*
8	**Tax expense**				
	Current tax	**713**	*992*	*67*	*2,972*
	Deferred tax	**(543)**	*5,159*	*22*	*5,041*
		170	*6,151*	*89*	*8,013*
9	**(Loss) after tax from continuing operations**	**(469)**	*(3,386)*	*(4,079)*	*(10,799)*
10	**Discontinued operations**				
	(Loss) before tax from discontinued operations	-	*(2)*	*(30)*	*(861)*
	Tax Expense/ (Benefit) of Discontinued Operations	-	*-*	*-*	*-*
	(Loss) from discontinued operations	**-**	*(2)*	*(30)*	*(861)*
	(Loss) for the period/ year	**(469)**	*(3,388)*	*(4,109)*	*(11,660)*
11	**Other Comprehensive Income**				
	A (i) Items that will not be reclassified to statement of profit or loss				
	(a) Remeasurement of the defined benefit plans	**-**	*40*	*(20)*	*(69)*
	(b) Equity instruments through other comprehensive income	**-**	*-*		*-*
	(c) Income Tax relating to the above items	**-**	*12*		*12*
	B (i) Items that may be reclassified to statement of profit or loss				
	(a) Exchange differences in translating the financial statements of foreign operations	**(982)**	*2,174*	*(1,015)*	*2,305*
	Other Comprehensive Income (net of tax)	**(982)**	*2,226*	*(1,035)*	*2,248*
12	**Total Comprehensive (Loss) for the period / year**	**(1,451)**	*(1,162)*	*(5,144)*	*(9,412)*
13	**Profit/ (Loss) for the period/ year attributable to:-**				
	(i) Owners of the Company	**(434)**	*(1,461)*	*(4,597)*	*(7,767)*
	(ii) Non controlling interests	**(35)**	*(1,927)*	*488*	*(3,893)*
		(469)	*(3,388)*	*(4,109)*	*(11,660)*
14	**Other comprehensive income for the period/ year attributable to:-**				
	(i) Owners of the Company	**(985)**	*2,231*	*(1,038)*	*2,249*
	(ii) Non controlling interests	**3**	*(5)*	*3*	*(1)*
		(982)	*2,226*	*(1,035)*	*2,248*
15	**Total comprehensive income/ (loss) for the period/ year attributable to:-**				
	(i) Owners of the Company	**(1,419)**	*770*	*(5,635)*	*(5,518)*
	(ii) Non controlling interests	**(32)**	*(1,932)*	*491*	*(3,894)*
		(1,451)	*(1,162)*	*(5,144)*	*(9,412)*
16	**Paid-up equity share capital** (Face Value of Rs. 10 each)	**1,290**	*1,290*	*1,290*	*1,290*
17	**Other equity (excluding Revaluation Reserve)**				*(15,392)*
18	**Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - continuing operations**	**Rs. (3.41)**	*Rs. (11.46)*	*Rs. (35.87)*	*Rs. (54.24)*
19	**Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - discontinued operations**	-	*Rs. (0.02)*	*Rs. (0.24)*	*Rs. (6.76)*
20	**Basic and diluted earnings/ (loss) per equity share attributable to owners of the Company (after exceptional items) - continuing and discontinued operations**	**Rs. (3.41)**	*Rs. (11.48)*	*Rs. (36.11)*	*Rs. (61.00)*

(Quarter and year to date figures not annualised)
See accompanying notes to the consolidated financial results.

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Reporting of Segment wise Revenue, Results, Assets and Liabilities

Based on the evaluation of Ind AS 108 - Operating Segments, the management has identified the following operating segments viz., Health, Hygiene, Safety Products and its services, Engineering, Real Estate, IT Enabled Services and Products and Shipping and Logistics Services.

(Rs. in Lakhs)

		Quarter ended			Year ended
		30.06.2021	*31.03.2021*	*30.06.2020*	*31.03.2021*
		(Unaudited)	*(Refer Note 17)*	*(Unaudited)*	*(Audited)*
1	**Segment Revenue**				
	(a) Health, Hygiene, Safety Products and its services	**47,455**	*60,882*	*35,227*	*215,117*
	(b) Engineering	**4,508**	*5,285*	*1,635*	*15,935*
	(c) Real Estate	**944**	*39,034*	*484*	*40,385*
	(d) IT Enabled Services and Products	**384**	*464*	*553*	*2,829*
	(e) Shipping and Logistics Services	**1,278**	*1,634*	*3,936*	*11,541*
	(f) Others	**7**	*6*	*8*	*28*
	Total	**54,576**	*107,305*	*41,843*	*285,835*
	Less: Inter Segment Revenue	**(31)**	*(36)*	*(39)*	*(156)*
	Total income from operations (net)	**54,545**	*107,269*	*41,804*	*285,679*
2	**Segment Results Profit/(Loss) before Tax and Interest from each Segment (including exceptional items related to segments)**				
	(a) Health, Hygiene, Safety Products and its services	**761**	*1,408*	*(1,405)*	* *3,353*
	(b) Engineering	**713**	*1,043*	*(891)*	*1,574*
	(c) Real Estate	**474**	*11,351*	*329*	*12,688*
	(d) IT Enabled Services and Products	**(346)**	# *(7,120)*	*(922)*	# *(10,265)*
	(e) Shipping and Logistics Services	**242**	$ *(2,098)*	*1,285*	$ *(1,129)*
	(f) Others	**(6)**	*(7)*	*(6)*	*(26)*
	Total segment results	**1,838**	*4,577*	*(1,610)*	*6,195*
	Add: Share of profit of joint ventures and associates accounted for using equity method	**204**	*307*	*84*	*834*
	Add/(Less): Exceptional items	**(230)**	-	-	-
	(Less): Finance costs	**(1,875)**	*(1,459)*	*(2,347)*	*(8,684)*
	Balance	**(63)**	*3,425*	*(3,873)*	*(1,655)*
	Add: Unallocable income / (expense) (net)	**(236)**	*(660)*	*(117)*	*(1,131)*
	Profit / (Loss) from continuing operations before tax	**(299)**	*2,765*	*(3,990)*	*(2,786)*
	(Loss) from discontinued operations	**-**	*(2)*	*(30)*	*(861)*
	Profit / (Loss) before tax from continuing and discontinued operations	**(299)**	*2,763*	*(4,020)*	*(3,647)*
3	**Segment Assets**				
	(a) Health, Hygiene, Safety Products and its services	**120,242**	*135,037*	*141,432*	*135,037*
	(b) Engineering	**16,234**	*15,299*	*15,152*	*15,299*
	(c) Real Estate	**15,120**	*15,083*	*37,945*	*15,083*
	(d) IT Enabled Services and Products	**7,938**	*8,300*	*17,990*	*8,300*
	(e) Shipping and Logistics Services	**18,513**	*18,200*	*37,106*	*18,200*
	(f) Others	**23**	*27*	*4*	*27*
	(g) Unallocated	**12,166**	*12,311*	*17,255*	*12,311*
	Total Assets	**190,236**	*204,257*	*266,884*	*204,257*
	Assets pertaining to discontinued operations	**29**	*31*	*289*	*31*
	Total Assets	**190,265**	*204,288*	*267,173*	*204,288*
4	**Segment liabilities**				
	(a) Health, Hygiene, Safety Products and its services	**132,653**	*146,257*	*157,232*	*146,257*
	(b) Engineering	**9,683**	*9,162*	*9,850*	*9,162*
	(c) Real Estate	**18,551**	*17,246*	*47,923*	*17,246*
	(d) IT Enabled Services and Products	**17,760**	*18,777*	*20,387*	*18,777*
	(e) Shipping and Logistics Services	**10,088**	*9,778*	*25,083*	*9,778*
	(f) Others	**1,118**	*1,092*	*1,069*	*1,092*
	(g) Unallocated	**9,455**	*9,492*	*9,493*	*9,492*
	Total Liabilities	**199,308**	*211,804*	*271,037*	*211,804*
	Liabilities pertaining to discontinued operations	**115**	*143*	*244*	*143*
	Total Liabilities	**199,423**	*211,947*	*271,281*	*211,947*

Notes on Segment Information:

1. The Chief Operating Decision maker of the Group examines the Group's performance from a product portfolio and the industries in which they operate and has identified five reportable segments at the group level.
2. Details of product categories included in each segment comprises:

a) Health, Hygiene, Safety Products and its services includes manufacturing, selling, renting and servicing of vacuum cleaners, water filter cum purifiers, water and waste water treatment plant, trading in electronic air cleaning systems, small household appliances, digital security system and fire extinguisher etc.

b) Engineering Segment includes manufacture/ trading in Precision Cutting Tools, Spring Lock Washers and Marking Systems.

c) Real Estate includes income from renting out investment properties and revenue from real estate development project.

d) IT Enabled Services and Products includes trading of note counting machines, electronic cash register, point of sale machine, manufacturing of different types of kiosks, Forbes Xpress consisting of sale of mobile recharge, bill payments and money transfer, transaction network and services comprising of maintenance, servicing and support services for kiosks and other devices. During the year ended March 31, 2021, the Group has decided to discontinue operations relating to Forbes Express. The segment results, segment assets and segment liabilities from the discontinued operations have been disclosed separately.

e) Shipping and Logistics Services segment carries on business of ship owners, charterers etc.

f) Unallocable Corporate Assets mainly comprises of investments, tax receivables and other unallocable assets.

g) Unallocable Liabilities comprise borrowings, provisions and other unallocable liabilities.

3. Segment revenue, segment results, segment assets and segment liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis considering the product portfolio and reportable segments when evaluated from the group perspective. Accordingly, certain amounts considered as unallocated by individual subsidiaries of the group have been classified for the purposes of the consolidated segment disclosure based on the product portfolio and industry of the respective subsidiary as this would be more relevant to the users of the financial statements.

* Includes a non-cash charge of impairment of goodwill of Rs. 979 Lakhs for the year ended 31st March, 2021.

\# Includes a non-cash charge of impairment of intangible assets and intangible assets under development of Rs. 6,557 Lakhs for the year ended 31st March, 2021 and for the quarter ended 31st March, 2021 Rs. 6,349 Lakhs.

$ Includes a provision for shortfall in expected recoverable value for assets held for sale/ loss on sale of assets of Rs. 4,610 Lakhs for the year ended 31st March, 2021 (for the quarter ended 31st March, 2021 Rs. 1,826 Lakhs).

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Notes:

1. The above results of Forbes & Company Limited ('the parent' or 'the Company') and its subsidiaries (together referred to as "Group") and its joint ventures and associates for the quarter ended 30th June, 2021 were reviewed by the Audit Committee and thereafter approved at the meeting of the Board of Directors held on Friday 13th August, 2021. The results for the quarter ended 30th June, 2021 have been reviewed by the auditors in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. The above financial results of the Group, its joint ventures and associates have been prepared in accordance with Indian Accounting Standard ("Ind AS") as prescribed under Section 133 of Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

3. Exceptional items:

(Rs. in Lakhs)

	Particulars	Quarter ended			Year ended
		30.06.2021	*31.03.2021*	*30.06.2020*	*31.03.2021*
		(Unaudited)	*(Refer Note 17)*	*(Unaudited)*	*(Audited)*
(i)	Expected outflow for disputed matter	**(230)**	**-**	-	**-**
(ii)	Impairment of Goodwill	**-**	-	-	**(979)**
(iii)	Provision for impairment of certain intangible assets and intangible assets under development	**-**	*(6,349)*	-	**(6,557)**
(iv)	Provision for shortfall in recoverable value of assets sold/ Loss on sale of assets	**-**	*(1,826)*	-	**(4,610)**
	TOTAL	**(230)**	*(8,175)*	-	**(12,146)**

(i) The Company had received Rs. 1,017 Lakhs in the year ended 31st March, 2016 from the Hon'ble Debt Recovery Tribunal, Mumbai, towards principal and interest for loan given to Coromandel Garments Limited (presently under liquidation).

The Company had made a provision of Rs. 365 Lakhs in earlier years which was reversed on receipt of Rs. 1,017 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 Rs. 1,017 Lakhs with interest. Consequently, the Company refunded Rs. 1,056 Lakhs (including interest calculated from the date of the order till the date of payment aggregating Rs. 39 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 Rs. 276 Lakhs (of which the Company had provided for Rs. 46 Lakhs and Rs. 230 Lakhs was disclosed as a contingent liability) and appealed by the Company.

The Official Liquidator vide order dated 23rd December, 2019 adjudicated and admitted a claim of Rs. 744 Lakhs (comprising Rs. 325 Lakhs towards loan and Rs. 419 Lakhs as interest).

The appeal filed by the Company with the High Court with respect to the interest of Rs. 276 Lakhs was dismissed on 9th June, 2021. Thereafter the Official Liquidator filed a report seeking permission from the Hon'ble High Court of Mumbai for payment of an amount of Rs. 468 Lakhs after adjusting interest amount of Rs. 276 Lakhs from the total adjudicated claim of Rs. 744 Lakhs. The Hon'ble High Court, vide order dated 4th August 2021, has permitted the Official Liquidator to pay an amount of Rs. 468 Lakhs to the Company within two weeks from the date of the said Order. Basis the above, the Company has provided for Rs. 230 Lakhs in addition to the Rs. 46 Lakhs provided earlier and recorded the expense as an exceptional item for the quarter ended 30th June, 2021.

(ii) In Eureka Forbes Limited ('EFL'), (a subsidiary), during the year ended 31st March, 2021 business projections could not be achieved, due to various factors for one of the subsidiary group in Europe "Lux Group" as envisaged previously. Based on an assessment of the revised future projections (including impact of Covid-19 pandemic) carried out by EFL management after considering economic conditions and trends, estimated future operating results and growth rates, an amount of Rs. 979 Lakhs for the year ended 31st March, 2021 has been impaired in the financial results as impairment loss on goodwill on consolidation and disclosed as an exceptional item.

(iii) In Forbes Technosys Limited ('FTL'), a subsidiary, based on FTL management's assessment about the current stage of development, expected time and cost required to complete and expected revenues from the projects, FTL has concluded that certain projects/ intangible assets were impaired. Impairment loss on the above projects aggregating Rs. 6,349 Lakhs and Rs. 6,557 Lakhs for the quarter and year ended 31st March, 2021 respectively has been disclosed as an exceptional item in these financial results.

(iv) During the year ended 31st March, 2021 Shapoorji Pallonji Forbes Shipping Limited ('SPFSL'), a subsidiary, sold three of its shipping vessels for an aggregate consideration of USD 18.13 million. The difference between the sales consideration (net of expenses) and net book value as on the date of sale of the respective vessels has been recorded as an exceptional loss (net of foreign exchange effects) aggregating Rs. 1,826 Lakhs and Rs. 4,610 Lakhs for the quarter and year ended 31st March, 2021 respectively.

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4. Standalone Information:

(Rs. in Lakhs)

Particulars	Quarter ended			Year ended
	30.06.2021	*31.03.2021*	*30.06.2020*	*31.03.2021*
	(Unaudited)	*(Refer Note 17)*	*(Unaudited)*	*(Audited)*
Revenue from operations	**5,430**	44,311	*2,091*	**56,236**
Profit before tax	**(1,042)**	5,538	*(976)*	**911**
Profit after tax	**(1,042)**	1,525	*(976)*	**(3,102)**

Investors can view the standalone results of the Company on the Company's website (www.forbes.co.in) or BSE website (www.bseindia.com).

5. The following matter has been included in the financial results of Eureka Forbes Limited (EFL) which is reproduced as follows:
"Financial difficulties -

Forbes Lux International Ltd and its direct and indirect subsidiaries (Lux Group) faced financial difficulties as on March 31, 2021. Forbes Lux International Ltd and the Lux group's ability to continue as a going concern depends on the continuing financial support of its parent company, Eureka Forbes Limited located in India (EFL). The Board of Directors of Lux International AG are taking necessary steps to revive and stabilize the business of Lux Group. Further, the parent company, EFL, issued a financial support letter dated 27 January 2021, that they undertake financial support to the extend needed to keep Forbes Lux International Ltd and Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31 March 2022.

Should EFL be unable to provide necessary liquid funds support or equity, this would constitute a material uncertainty that would cast significant doubt about Forbes Lux International AG's ability to continue as a going concern. If Forbes Lux International Ltd is not able to continue as a going concern, the financial statement must be prepared at liquidation values. The impact of such change in basis of accounting could be material and the necessary provisions would have to be followed by the Board of Directors.

Lux International Ltd. and its direct and indirect subsidiaries (Lux Group) faced financial difficulties as on 31 March, 2021. Lux International Ltd (Group)'s ability to continue as a going concern depends on the continuing financial support of its parent company, Eureka Forbes Limited located in India (EFL).

The Board of Directors of Lux International AG are taking necessary steps to revive and stabilize the business of Lux Group. Further, the parent company, EFL, issued a financial support letter dated 27 January 2021, that they undertake financial support to the extend needed to keep Lux Group adequately capitalized. In the event of continuing loss and financial needs, EFL will provide necessary liquid funds support or equity to continue its operations. This undertaking is valid until 31 March 2022.

Should EFL be unable to provide necessary liquid funds support or equity, this would constitute a material uncertainty that would cast significant doubt about Lux Group's ability to continue as a going concern. If Lux Group is not able to continue as a going concern, the financial statement must be prepared at liquidation values. The impact of such change in basis of accounting could be material and the necessary provisions would have to be followed by the Board of Directors."

6. The following matter has been included in the financial results of EFL which is reproduced as follows:
"Going Concern:
Eureka Forbes Limited (EFL) and Lux group comprises of substantial portion of EFL group.

The consolidated financial results of Lux International AG ('Lux group') is prepared on a going concern assumption. The Board of Directors of Lux Group are taking necessary steps to revive and stabilize the business of Lux Group. Further, the EFL's Board of Directors have assessed and concluded that no material uncertainty exists that may cast significant doubt on EFL's ability to continue on a going concern basis.

The group has incurred net loss of Rs. 164.63 lakhs during the period ended June 30, 2021, as of that date, the group's current liabilities exceeded its current assets by Rs. 48,757.19 lakhs which include an amount of Rs. 33,284.12 lakhs as advance of service contracts against which service obligation is outstanding but no material cash outflow is expected since amounts will be replenished by renewals of existing and new service contracts. After adjusting such advances for service contracts, the net current liabilities effectively would be Rs. 15,473.07 lakhs.

Also the group has accumulated losses of Rs. 32,965.94 lakhs as on June 30, 2021 and a total equity of Rs. (-) 7,280.30 lakhs.

The financial results for the period ended June 30, 2021 have been prepared on a "Going Concern" basis in view of the fact that the group has already initiated the process of taking such measures as cost reduction, revision in business strategy and reduction in cash outflow which will ultimately strengthen its financial position and also that the Group expects continued increase in demand for its products as the health consciousness amongst people is increasing consequent to the COVID 19 pandemic.

EFL's operating cash flow has improved during the period ended June 30, 2021 and also has undrawn fund based facilities to run its operations.

Further, Forbes & Company Limited ("Parent Company" of group) has, vide its letter dated February 8, 2021, stated that they will periodically and in a timely manner subject to approval by its Board of Directors, make further investment or infuse funds in the company as and when necessary to do so."

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7. The following matter has been included in the financial results of EFL which is reproduced as follows:
   "Impact of COVID-19 -
   Operations of the Group continued to be impacted during the period due to measures imposed by various government to contain the Covid-19 pandemic. Business activities gathered momentum though recovery has been gradual and partial due to the second wave of Covid-19 pandemic.

   The Group has evaluated impact of this pandemic, including the second wave, on its business operations and financial position and based on its review of current and estimated future global, including Indian economic indicators, the related impact has been considered on its financial results and financial position as at June 30, 2021.

   The Group, based on current performance & estimates, expects the demand to further pick up in medium to long term and attain pre-COVID levels of performance at a cumulative level basis which the carrying amount of the receivables, inventories and goodwill will be recovered. 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 group will continue to monitor any material changes to future economic conditions."

8. The following matter has been included in the financial results of EFL which is reproduced as follows:
   "The Board of Directors of Eureka Forbes Limited (" the Company") at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

   The Scheme, inter alia, provides for amalgamation and vesting of Aquaignis Technologies Private Limited ("ATPL") and Euro Forbes Financial Services Limited ("EFFSL") (presently wholly owned subsidiaries of the Company) with and into the Company and amalgamation and vesting of the Company with and into Forbes and Company Limited ("the Parent Company"). Further, upon the above part of the scheme becoming effective, Demerger and vesting of Demerged Undertaking (Health, Hygiene, Safety Products and Services Undertaking, as defined in the scheme) of the Parent Company into Forbes Enviro Solutions Limited ("FESL") (presently wholly owned subsidiary of the Company), on a going concern basis. Upon the entire scheme becoming effective, the name of FESL shall be changed to Eureka Forbes Limited.

   The Parent Company has filed an application seeking sanction of the scheme, with the regulatory authorities, with the appointed date of April 01, 2020. The above scheme shall be effective post receipt of all the required approvals."

9. The Indian Parliament has approved the Code on Social Security ,2020 ("the code") which, inter alia, deals with employees benefits during employment and post employment. The code has been published in the Gazette of India. The effective date of the code is yet to be notified and the rules for quantifying the financial impact are also yet to issued. In view of this, the impact of change, if any, will be assessed and recognised post notification of the relevant provisions.

10. One of the subsidiary in Lux group of Eureka Forbes Limited, 'LIAG Trading and Investment Limited, UAE' has applied for the winding up of it's operation at Jebel Ali Free Zone Dubai and has been given effect to in consolidated unaudited financial results.

11. The following matter has been included in the financial results of Forbes Technosys Limited (FTL) which is reproduced as follows:
    "The Company has incurred a net loss of Rs. 851.86 lakhs during the quarter and the Company's current liabilities exceeded its current assets by Rs. 12,818.04 lakhs as at June 30, 2021. The Company has accumulated losses of Rs. 28,361.87 lakhs and its net worth is negative as at June 30, 2021. These conditions indicate the existence of material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern.

    The current situation of Covid-19 has caused deferment of commitment by the prospective buyers/customers.

    During the previous quarter, management has decided to focus only on sourcing existing contractual obligations and reaffirm its commitment for divestment/monetization plan as the situation improves in near future.

    In the interim, the holding company (Forbes & Co Ltd) and the ultimate holding company namely Shapoorji Pallonji & Co Pvt. Ltd. remain committed to support Forbes Technosys Ltd. for continuity of operations. As a step towards this the inter-corporate deposits provided by the holding company aggregating to Rs 48 crores have been converted into equity share capital in June 2021' - July'2021.

    Further in line with its stated long term strategy of reducing exposure to low margin contracts, and in due course discontinue/reduce exposure in such contracts post completion of continuing commitments. The Company is confident of repayment of all liabilities as and when due from business operations and / or financial support from the holding company and ultimate holding company.

    The speed of Covid 19 is having an unprecedented impact on people and economy. The Company has considered the possible effect that may result from the pandemic relating to Covid 19 on the carrying amount of trade receivables, tangible and intangible assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of the pandemic, the Company as a part of approval of this financial results has used internal and external sources of information. The impact assessment of Covid 19 is a continuing process, given the uncertainties and the company will continue to closely monitor the developments."

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12. 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 existing revenue recognition standards. The application of Ind AS 115 has a significant bearing on the Company's accounting for recognition of revenue from real estate development projects.

    The Company had applied the modified retrospective approach as on 1st April 2018 and recorded a transitional impact in retained earnings towards the reversal of profits aggregating Rs. 5,083 Lakhs (net of tax) on real estate projects under development (i.e. flats under construction) for contracts not completed as on 1st April, 2018.

    Considering the terms of the contract, receipt of Occupancy Certificate for Phase I of the real estate development project, issuance of possession letters and transfer of control of the real estate units to the customers before the year ended 31st March, 2021, the Company has recognised revenue of Rs. 38,653 Lakhs during the quarter and year ended 31st March, 2021 and Rs. 494 Lakhs for the quarter ended 30th June, 2021.

13. 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 (net book value as on 31st March, 2021 aggregating Rs. 38 Lakhs reflected as 'Asset Held for Sale') for a consideration of Rs. 20,000 Lakhs ("Proposed Transaction").

    The parties were required to execute the agreement for sale on or before 15th May, 2021. The Company has entered into Agreement for Sale (AFS) during the quarter ended 30th June, 2021. The completion of the transaction subject to fulfilment of various conditions precedent as stated in the AFS is expected to be completed during the year ending 31st March, 2022.

14. The COVID-19 pandemic has severely disrupted the world's business operations due to global lockdown and other emergency measures imposed by the various governments. The operations of the Group, its joint ventures and associates were impacted due to the shutdown of plants, real estate development project and offices following the nationwide lockdown. The Group commenced with its operations in a phased manner in line with the directives from the authorities.

    The Group has evaluated the impact of this pandemic (considering the current situation and likely future developments along with the expected impact of the second wave in the country) on its business operations, liquidity and recoverability/ carrying values of its assets including property, plant and equipment, 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 Group's financial results for the quarter ended 30th June, 2021. The Group has adequate unutilized fund-based credit facilities available, to take care of any urgent requirement of funds.

    The Group throughout the lockdown period and even subsequently has been able to maintain adequate control of its assets and there are no significant changes to its control environment during the period.

    However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly, the impact may be different from that estimated as at the date of approval of these financial results. The Group will continue to monitor any material changes to future economic conditions.

15. During the year ended 31st March, 2021, FTL decided to discontinue certain operations relating to online utility recharges and money transfer service forming part of ForbesExpress. Accordingly, FTL has presented the profit/(loss) in respect of these discontinued operations separately in the statement of profit and loss as a single amount and also re-presented the disclosures for previous periods that relate to the discontinued operations.

    The summary of results of the aforesaid discontinued operations, as included under the statement of profit and loss, is as follows:

Particulars	**Quarter ended**			**Year ended**
	30.06.2021	**31.03.2021**	**30.06.2020**	**31.03.2021**
Revenue	-	-	297	873
Expenses	-	(2)	(327)	(945)
(Loss) before tax and Exceptional items from discontinued operations	**-**	**(2)**	**(30)**	**(72)**
Exceptional Items [Refer note 3(iii)]	-	-	-	(789)
(Loss) before tax from discontinued operations	**-**	**(2)**	**(30)**	**(861)**
Tax expense	-	-	-	-
(Loss) after tax from discontinued operations	**-**	**(2)**	**(30)**	**(861)**

16. One of the subsidiaries, Forbes Technosys Limited, has not created Debenture Redemption Reserve due to negative retained earnings.

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17. The figures of the quarter ended 31st March, 2021 are balancing figures between the audited figures in respect of the full financial year ended 31st March, 2021 as reported in these financial results and the unaudited published year to date figures up to third quarter ended on 31st December, 2020 which were subjected to Limited Review by the Statutory Auditors.

18. Figures for the previous periods are re-classified/ re-arranged/ regrouped, wherever necessary, to correspond with the current period's classification.

For Forbes & Company Limited

(Mahesh Tahilyani)
Managing Director
DIN: 01423084

Mumbai,
13th August, 2021

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

1. We have reviewed the unaudited consolidated financial results of Forbes & Company Limited (the "Parent"), its subsidiaries (the parent and its subsidiaries hereinafter referred to as the "Group"), joint ventures and associate companies for the quarter ended June 30, 2021 which are included in the accompanying 'Statement of Consolidated Unaudited Financial Results for the quarter ended 30th June, 2021' (the "Statement"). The Statement is being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"), which has been initialed by us for identification purposes.

2. This Statement, which is the responsibility of the Parent's Management and has been approved by the Parent's Board of Directors, 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, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our 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. 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 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.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:

   Parent Company:
   - Forbes & Company Limited

   Subsidiaries (Direct and Indirect):
   - Eureka Forbes Limited
   - Aquaignis Technologies Private Limited
   - Forbes Aquatech Limited
   - Infinite Water Solutions Private Limited
   - Forbes Lux International AG

- Lux International AG
- Lux del Paraguay S.A.
- Lux Schweiz AG
- Lux International Services & Logistics GmbH (formerly Lux Service GmbH)
- Lux Osterreich GmbH
- Lux Hungária Kereskedelmi Kft.
- LIAG Trading and Investments Limited*
- Lux Aqua Paraguay SA
- Lux Welity Polska sp z oo
- EFL Mauritius Limited
- Euro Forbes Financials Services Limited
- Euro Forbes Limited
- Forbes Lux FZCO
- Forbes Facility Services Private Limited
- Forbes Enviro Solutions Limited
- Forbes Campbell Finance Limited
- Forbes Campbell Services Limited
- Forbes Technosys Limited
- Volkart Fleming Shipping and Services Limited
- Shapoorji Pallonji Forbes Shipping Limited
- Campbell Properties & Hospitality Services Limited

Associate Companies:
- Nuevo Consultancy Services Private Limited
- Dhan Gaming Solution (India) Private Limited
- Euro P2P Direct (Thailand) Company Limited

Joint Ventures:
- Forbes Bumi Armada Limited
- Forbes Concept Hospitality Services Private Limited
- AMC Cookware (Proprietary) Limited

* The entity has applied for the winding up of its operation.

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 9 below, nothing has come to our attention that causes us to believe that the accompanying Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw your attention to Note 5 to the standalone financial results of the Parent which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Parent. The Parent believes that no additional adjustments are required in the financial results, however, in view of various preventive measures taken (such as lock-downs and travel restrictions) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

7. The following emphasis of matters were included in the review report dated August 10, 2021, issued by an independent firm of Chartered Accountants on the consolidated financial results of Eureka Forbes Limited, a subsidiary of the Parent reproduced as under:

"

i. The review report on the standalone financial information of Forbes Lux International AG ("FLIAG") and consolidated financial information of Lux International Limited ('Lux group'), subsidiary group of the Company, contains an emphasis of matter paragraph by the component auditor, stating as under, which relates to a material uncertainty related to Going Concern:

   We draw attention to Note 2 in the Financial Results describing the liquidity difficulties of FLIAG and Lux group as on March 31, 2021. This fact together with the other matters described in note 2 indicate the existence of a material uncertainty that may cast significant doubt about FLIAG and Lux group's ability to continue as a going concern.

   Our conclusion on the Financial Results is not modified in respect of this matter.

ii. We draw attention to note 1 in the Financial Results, which describes the continuing impact and resultant uncertainties of COVID-19 pandemic on the Group's financial results and the assessment made by Management, of the recoverability of certain assets of the Group. Attention is also invited to note 3 which describes the basis of the assessment made by the Management of the Group/Company that no material uncertainty exists and that the going concern assumption is appropriate in the preparation of these financial results.

   Our conclusion on the Financial Results is not modified in respect of this matter.

iii. We draw attention to note 8 in the Financial Results, which describes that, the Board of Directors of the Company at their Board Meeting held on September 08, 2020, have inter alia, approved the Composite Scheme of Arrangement ("the scheme") under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder which inter alia, provides for amalgamation and vesting of the Company with and into the Parent Company on a going concern basis.

   As stated in the said note 8, the appointed date of the above scheme is April 01, 2020 and the same shall be effective post receipt of required approvals.

   Our conclusion on the Financial Results is not modified in respect of this matter."

Notes 1, 2, 3 and 8 as described above correspond to Notes 7, 5, 6 and 8 respectively, to the Consolidated Unaudited Financial Results for the quarter ended June 30, 2021.

8. The following emphasis of matter was included in the review report dated August 5, 2021, issued by an independent firm of Chartered Accountants on the financial results of Forbes Technosys Limited, a subsidiary of the Parent reproduced as under:

   "We draw attention to Note 3 of the Statement which indicates that the Company has incurred losses during the quarter ended June 30, 2021 and the Company's current liabilities exceeded its current assets as at June 30, 2021. Further, the Company also has significant accumulated losses and its net worth is negative as at June 30, 2021. These conditions indicate the existence of material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. However, the financial results of the Company have been prepared on a going concern basis for the reasons stated in the said Note. Our conclusion is not modified in respect of this matter."

Note 3 as described above corresponds to Note 11 to the Consolidated Unaudited Financial Results for the quarter ended June 30, 2021.

9. We did not review the interim financial results of 16 subsidiaries (15 subsidiaries as at June 30, 2021) included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 49,547 Lacs, total net loss after tax of Rs. 988 Lacs and total comprehensive income of Rs. 1,954 Lacs, for the quarter ended June 30, 2021, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 111 Lacs and total comprehensive income of Rs. 111 Lacs for the quarter ended June 30, 2021, as considered in the consolidated unaudited financial results, in respect of 1 joint venture, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors and their reports, vide which they have issued an unmodified conclusion, have been furnished to us by such other auditors, the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

   Our conclusion on the Statement is not modified in respect of the above matters.

10. The consolidated unaudited financial results includes the interim financial results of 10 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenue of Rs. 983 Lacs, total net loss after tax of Rs. 81 Lacs and total comprehensive income of Rs. 1,218 Lacs for the quarter ended June 30, 2021, as considered in the consolidated unaudited financial results. The consolidated unaudited financial results also include the Group's share of net profit after tax of Rs. 92 Lacs and total comprehensive income of Rs. 92 Lacs for the quarter ended June 30, 2021, as considered in the consolidated unaudited financial results, in respect of 3 associates and 2 joint ventures, based on their interim financial results which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these interim financial results are not material to the Group.

    Our conclusion on the Statement is not modified in respect of the above matter.

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

Sarah George
Partner
Membership Number: 045255
UDIN: 21045255AAAAKR2980

Place: Mumbai
Date: August 13, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of **Forbes Enviro Solutions Limited**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Forbes Enviro Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

1. We draw attention to note 35 in the Financial Statements which describes that, the Board of Directors of the Company at their Board meeting held on September 08, 2020 have inter alia, approved the Composite Scheme of Arrangement ('the Scheme') under section 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder. Forbes & Company Limited has filed an application seeking sanction of the Scheme, with the regulatory authorities, with the appointed date of April 01, 2020. As stated in the said note, the above scheme shall be effective post receipt of required approvals.

2. We draw attention to note 36 in the Financial Statements which describes the basis of the assessment made by the Management of the Company that no material uncertainty exists that may cast a significant doubt on the Company's ability to continue as a going concern, despite accumulated losses and net current liability position at March 31, 2021, and that the going concern assumption is appropriate in the preparation of the Financial Statements.

   Our opinion is not modified in respect of the above matters.

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

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 32 to the financial statements.

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

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

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

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

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

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

(b) The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our Opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

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

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the frequency of such verification is reasonable. Discrepancies noticed on verification between the physical stocks and book records were not material.

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

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

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

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

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, employees' state insurance, duty of excise, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, the following dues of sales tax have not been deposited by the Company on account of dispute. There are no dues of income tax, service tax, sales-tax, wealth tax, goods and service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

Name of statute	**Nature of dues**	**Amount under dispute (Rs)**	**Period to which the amount relates**	**Forum where dispute is pending**
Sales Tax Act	Maharashtra Value Added Tax	51,299	2002-03	Commissioner of Sales Tax
	Central Sales Tax	34,851	2004-05	Commissioner of Sales Tax

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

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

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

(xi) The company has not paid any remuneration to Managerial Personnel, hence paragraph 3(xi) of the order is not applicable.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935
Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Annexure - B to the Auditors' Report

(referred to in paragraph 2 under 'Report on Other Legal and regulatory requirements' section of our report to the members of the Company of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of **Forbes Enviro Solutions Limited** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining Internal Financial Controls based on the Internal Control over Financial Reporting criteria established by the Company considering the essential components of Internal Control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's Internal Financial Controls over Financial Reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an Audit of Internal Financial Controls, both applicable to an Audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain Reasonable Assurance about whether adequate Internal Financial Controls over Financial Reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the Internal Financial Controls system over Financial Reporting and their operating effectiveness. Our audit of Internal Financial Controls over Financial Reporting included obtaining an understanding of Internal Financial Controls over Financial Reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of Internal Control based on the assessed risk. The procedures selected depend on the Auditor's Judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over Financial Reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's Internal Financial Control over Financial Reporting is a process designed to provide reasonable assurance regarding the reliability of Financial Reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted Accounting Principles. A company's Internal Financial Control over Financial Reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BATLIBOI & PUROHIT
Chartered Accountants
ICAI Firm Reg. No.101048W

Atul Mehta
Partner
Membership No. 15935

Place : Mumbai
Date : June 4, 2021
ICAI UDIN : 21015935AAAAAC2229

Forbes Enviro Solutions Limited

Balance Sheet As At 31st March, 2021

			Notes	As at March 31, 2021	As at March 31, 2020
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	14,82,408	20,82,815
(b)		Other Intangible assets	5	76,747	91,633
(c)		Right of Use Assets	31	1,26,974	1,95,252
(d)		Financial assets			
	(i)	Other financial assets	8	1,28,49,548	1,48,34,503
(e)		Tax assets			
	(i)	Current tax asset (Net)	19	42,71,845	1,00,24,512
		Total Non-current Assets		**1,88,07,522**	**2,72,28,715**
		Current Assets			
(a)		Inventories	9	2,04,04,290	2,99,06,931
(b)		Financial assets			
	(i)	Investments	6	2,39,522	1,37,184
	(ii)	Trade receivables	7	2,35,60,525	2,80,83,610
	(iii)	Cash and cash equivalents	10	19,80,773	22,47,566
	(iv)	Bank balances other than (iii) above	10	31,97,928	30,68,876
	(v)	Other financial assets	8	5,864	5,480
(c)		Other current assets	11	32,36,755	86,18,699
		Assets classified as held for sale			
		Total Current Assets		**5,26,25,657**	**7,20,68,346**
		Total Assets		**7,14,33,179**	**9,92,97,061**
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	12	4,82,72,630	4,82,72,630
(b)		Other Equity	13	(4,68,87,057)	(3,07,45,918)
		Total Equity		**13,85,573**	**1,75,26,712**
		Liabilities			
		Non-current Liabilities			
(a)		Provisions	15	2,18,997	2,71,375
		Total Non-current Liabilities		**2,18,997**	**2,71,375**
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	17	1,50,00,000	1,50,00,000
	(ii)	Lease Liability	31	1,34,370	1,87,134
	(iii)	Trade and other payables			
	(a)	Total outstanding dues of micro and small enterprises	18	23,42,015	54,40,183
	(b)	Total outstanding dues other than (ii) (a) above	18	4,53,85,544	4,75,27,396
	(iv)	Other financial liabilities	14	60,97,028	78,93,881
(b)		Provisions	15	1,09,442	1,30,365
(c)		Current tax liabilities (Net)	19	2,61,275	36,32,490
(d)		Other current liabilities	16	4,98,935	16,87,525
		Total Current Liabilities		**6,98,28,609**	**8,14,98,974**
		Total Liabilities		**7,00,47,606**	**8,17,70,349**
		Total Equity and Liabilities		**7,14,33,179**	**9,92,97,061**
				-	-

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Forbes Enviro Solutions Limited

Statement of Profit and Loss for the year ended 31st March, 2021

		Notes	Mar 31,2021	Mar 31,2020
			`	`
I	**Income**			
	Revenue from Operations	**20**	7,84,62,822	16,34,15,268
	Other income	**21**	4,81,329	4,97,404
	Total Income		**7,89,44,151**	**16,39,12,672**
II	**Expenses**			
	Cost of materials consumed	**22**	5,94,18,867	12,92,79,793
	Purchases of stock-in-trade	**22**	4,73,294	45,14,490
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	**22**	82,38,912	(1,24,52,828)
	Employee benefits expenses	**23**	1,37,72,690	1,77,19,325
	Finance costs	**24**	19,87,268	40,27,154
	Depreciation and amortisation expense	**25**	14,16,106	14,12,147
	Other expenses	**26**	98,62,214	2,50,94,818
	Total expenses		**9,51,69,351**	**16,95,94,899**
III	**Profit/(Loss) before exceptional items and tax**		**(1,62,25,200)**	**(56,82,227)**
	Add/ (Less) : Exceptional items		-	-
IV	**Profit/(Loss) before tax**		**(1,62,25,200)**	**(56,82,227)**
	Less: Tax expense			
(1)	Current tax	**27.1**	-	-
(2)	Prior year tax Provision		79,320	1,21,215
(3)	Deferred tax - Debit/(Credit)		-	31,21,257
			79,320	**32,42,472**
V	**Profit/(Loss) for the year**		**(1,63,04,520)**	**(89,24,699)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		1,63,381	(75,112)
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss			-
			1,63,381	**(75,112)**
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
			-	-
	Total other comprehensive income (A + B)		**1,63,381**	**(75,112)**
	Total comprehensive income for the period (V+VI)		**(1,61,41,139)**	**(89,99,811)**
	Profit/ (Loss) for the year attributable to:			
	- Owners of the Company		(1,63,04,520)	(89,24,699)
			(1,63,04,520)	(89,24,699)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		1,63,381	(75,112)
			1,63,381	(75,112)
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(1,61,41,139)	(89,99,811)
			(1,61,41,139)	(89,99,811)
	Earnings per equity share	**28**		
	(1) Basic (in Rs.)		(3.38)	(2.22)
	(2) Diluted (in Rs.)		(3.38)	(2.22)

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Vikram Surendran
(DIN: 07322381)
Director

ATUL MEHTA
Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Forbes Enviro Solutions Limited

Cash Flow Statement for the year ended 31st March, 2021

	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Cash flows from operating activities		
Profit/loss before tax for the year	(1,62,25,200)	(56,82,227)
Adjustments for:		
Finance costs recognised in profit or loss	19,45,793	39,67,654
Unwinding Interest on Lease Liabilities	41,475	59,500
Investment Loss/ (gain) recognised in profit or loss	(1,02,337)	50,519
Interest Income	(2,00,597)	(3,20,815)
(Profit)/Loss on disposal of property, plant and equipment	91,586	-
Provision for Doubtful Debts/Advances	24,81,746	14,47,992
Bad Debts/Advances written off	-	79,790
Depreciation and amortisation of fixed assets/ intangibles	5,23,707	5,61,405
Amortisation of Right-of use Assets	8,92,399	8,50,742
Remeasurement of defined benefit plans disclosed under OCI	1,63,381	(75,112)
Movements in working capital:		
(Increase)/decrease in trade and other receivables	20,41,339	4,87,08,092
(Increase)/decrease in inventories	95,02,641	(1,17,32,752)
(Increase)/decrease in current other assets	53,81,944	(50,62,262)
(Increase)/decrease in current other financial assets	3,96,588	80,000
(Increase)/decrease in non current other financial assets	-	(1,11,139)
Increase/ (decrease) in trade and other payables	(52,40,020)	(2,54,05,115)
Increase/(decrease) in provisions	(73,301)	(61,623)
Increase/(decrease) in other liabilities	(29,85,443)	23,06,691
Cash generated from operations	**(13,64,299)**	**96,61,340**
Income taxes paid (net of refunds)	23,02,131	(6,42,456)
Net cash generated by operating activities	**9,37,832**	**90,18,884**
Cash flows from investing activities		
Interest Income	2,16,234	4,11,898
Net Movement in Bank Balance not considered as Cash & Cash equivalents	14,43,294	(3,76,039)
Net cash (used in)/generated by investing activities	**16,59,528**	**35,859**
Cash flows from financing activities		
Proceeds from shares issued during the year	-	2,00,00,000
Net increase / (decrease) in working capital borrowings	-	(2,98,24,120)
Interest expense	(19,45,793)	(39,67,654)
Lease Liability paid	(9,18,360)	(9,18,360)
Net cash used in financing activities	**(28,64,153)**	**(1,47,10,134)**
Net increase in cash and cash equivalents	**(2,66,793)**	**(56,55,391)**
Cash and cash equivalents at the beginning of the year	22,47,566	79,02,957
Cash and cash equivalents at the end of the year	**19,80,773**	**22,47,566**
Less: Bank Overdraft	-	-
Net Cash and cash equivalents at the end of the year	**19,80,773**	**22,47,566**
	-	-

As per our report of even date
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Partner
Membership No.15935

R.S.Moorthy
(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital	No.of Shares	Amount `
Balance at April 1, 2019	**28,27,263**	**2,82,72,630**
Changes in equity share capital during the year	20,00,000	-
Balance at March 31, 2020	**48,27,263**	**2,82,72,630**
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	**48,27,263**	**2,82,72,630**

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	`	`	`
Balance at 1st April 2019	(2,17,46,107)	-	(2,17,46,107)
Profit for the year	(89,24,699)		(89,24,699)
Other comprehensive income for the year, net of income tax	-	(75,112)	(75,112)
Transfer to retained earnings	(75,112)	75,112	-
Total comprehensive income for the year 31st March 2020	**(3,07,45,918)**	**-**	**(3,07,45,918)**
Profit for the year	(1,63,04,520)	-	(1,63,04,520)
Other comprehensive income for the year, net of income tax	-	1,63,381	1,63,381
Total comprehensive income for the year 31st March 2021	**(1,63,04,520)**	**1,63,381**	**(1,61,41,139)**
Transfer to retained earnings	(1,63,381)	1,63,381	**-**
Balance as at 31st March 2021	**(4,68,87,057)**	**-**	**(4,68,87,057)**

As per our report of even date
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(DIN: 02706251)
Director

Mumbai, Dated 04th June,2021

Notes to the financial statements for the year ended March 31, 2021

1.Background

Forbes Enviro Solutions Limited is a limited company incorporated in India. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd

Registered office is at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 4th June, 2021.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and defined benfit plan assets measured at fair value.

d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 29 – employee benefit plans
- Note 3(h) and 32 – provisions and contingent liabilities
- Note 3(l) and 27 – Income taxes
- Note 3(j) and 31 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

-Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The finance team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments which are recognised at fair value through OCI (FVOCI).

b. Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. ***Classification and subseauent measurement***

Financial assets

On initial recognition, a financial asset is classified as measured at
- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets within this category.

On initial recognition of an equity investment that is not held for trading, the Company has elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. The Company does not have any financial assets within this category.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amotised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any fixed liabilities under the category of FVTPL.

iii. *Derrecogniton*

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

d. Intangible assets

i. Acquired intangible

Intangible assets comprise purchased computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful live is as follows:

- Software 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 9)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows 'simplified approach' for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward- looking information.

ii. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits

i. ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

h. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

i. Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This *inter alia* involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

J.Impact of initial application of Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from 1st April, 2019 (The initial accounting application date).

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods.The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

k. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Notes to the financial statements for the year ended March 31, 2021

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

n. Recent accounting pronounecements

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i. Ind AS 103 - Business Combinations:

The definition of the term "business" has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by 'interest rate benchmark reform'. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term "material" has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of "material", certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi. Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

Notes to the financial statements for the year ended March 31, 2021

4. Property, Plant & Equipments

Cost or deemed cost	**Furniture and fixtures**	**Computers**	**Electrical Fittings**	**Office Equipment**	**Total**
	`	`	`	`	`
As at 01st April 2019	29,64,570	15,00,735	8,54,251	10,61,824	63,81,380
Additions	4,22,117	-	-	3,06,000	7,28,117
Deletions	-	-	-	-	-
As at 31 March 2020	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Additions	-	-	-	-	-
Deletions	(2,88,359)	(3,36,227)	-	(1,71,922)	(7,96,508)
As at 31 March 2021	30,98,328	11,64,508	8,54,251	11,95,902	63,12,989
Depreciation					
As at 01st April 2019	16,10,029	13,91,673	5,23,612	9,53,510	44,78,824
Deletions	-	-	-	-	-
Charge for the year	3,42,248	24,155	92,960	88,495	5,47,858
As at 31 March 2020	19,52,277	14,15,828	6,16,572	10,42,005	50,26,682
Deletions	(2,30,523)	(3,19,416)	-	(1,63,327)	(7,13,266)
Charge for the year	3,39,289	9,833	90,157	77,886	5,17,165
As at 31 March 2021	20,61,043	11,06,245	7,06,729	9,56,564	48,30,581
Net Block					
As at 31 March 2020	14,34,410	84,907	2,37,679	3,25,819	20,82,815
As at 31 March 2021	10,37,285	58,263	1,47,522	2,39,338	14,82,408

Notes to the financial statements for the year ended March 31, 2021

5. Other Intangible Assets

Cost or deemed cost	**Computer Software** `	**Total** `
As at 01st April 2019	15,22,701	15,22,701
Addition	-	-
Deletion	-	-
As at 31 March 2020	15,22,701	15,22,701
Addition	-	-
Deletion	(1,66,875)	(1,66,875)
As at 31 March 2021	13,55,826	13,55,826
Amortisation		
As at 01st April 2019	14,17,521	14,17,521
Charge for the year	13,547	13,547
Deletion	-	-
As at 31 March 2020	14,31,068	14,31,068
Charge for the year	6,542	6,542
Deletion	(1,58,531)	(1,58,531)
As at 31 March 2021	12,79,079	12,79,079
Net Block		
As at 31 March 2020	**91,633**	**91,633**
As at 31 March 2021	**76,747**	**76,747**

Notes to the financial statements for the year ended March 31, 2021

Financial assets

6. Other Current Investments

Particulars	**As at March 31, 2021** `	**As at March 31, 2020** `
Unquoted Investments (all fully paid)		
(a) Investments in Mutual Funds at FVTPL 357.856 (previous year 357.856) units of `10/- fully paid up in Nippon India - Growth Plan Growth Option	2,39,522	1,37,184
TOTAL UNQUOTED INVESTMENTS at FVTPL	2,39,522	1,37,184

Notes to the financial statements for the year ended March 31, 2021

7. Trade receivables

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020	As at March 31, 2020
	`	`	`	`
Unsecured, considered good	-	-	1,19,78,535	2,58,21,135
Unsecured , Debts due from related parties (refer note 30 (II))	-	-	1,60,52,407	1,40,09,663
Less: Allowance for doubtful debts	-		44,70,417	1,17,47,188
Total	-	-	2,35,60,525	2,80,83,610

7.1 Trade receivables

The average credit period on sales is between 60-90 days.

Movement in the allowance for doubtful debts

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
	`	`
Balance at beginning of the year	1,17,47,188	1,02,99,196
Impairment losses recognised on receivables	13,31,003	14,47,992
Amounts written off during the year as uncollectible	86,07,774	-
Balance at end of the year	44,70,417	1,17,47,188

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.

As at March 31, 2021, trade receivables of Rs.13,31,003/- (as at March 31, 2020 Rs.14,47,992/-) were impaired. The amount of the provision was Rs.44,70,417/- as at March 31, 2021 (as at March 31, 2020 Rs.117,47,188/-; The individually impaired receivables were mainly due to unexpected difficult economic situations. It was assessed that a portion of these receivables is expected to be recovered. The ageing is as follows:

Age of impaired trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
180-365 days	-	-
above 365 days	13,31,003	14,47,992
Total	13,31,003	14,47,992

Notes to the financial statements for the year ended March 31, 2021

8. Other financial assets

Particulars	Non Current As at March 31, 2021 `	Non Current As at March 31, 2020 `	Current As at March 31, 2021 `	Current As at March 31, 2020 `
Bank deposits with more than 12 months maturity (refer note 8(i))	1,50,495	17,22,841	-	-
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 30 (II))	10,000	10,000	-	-
Security deposits - unsecured considered good	9,67,173	10,21,630	-	-
Interest Accrued -				
On fixed deposits with Banks	-	16,021	5,864	5,480
Balance with statutory/ government authorities	1,17,21,880	1,20,64,011	-	-
	1,28,49,548	1,48,34,503	5,864	5,480

8.1 Current year amount of bank deposit of Rs.123,300/- (previous year Rs.126,091/-) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1,00,000/- (previous year Rs.1,00,000/-) at interest rate of 8.20% (previous year 8.20%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2021 the amount of Rs.123,300/- is with maturity more than 12 months .

9. Inventories

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
a) Inventories (lower of cost and net realisable value) #.		
Raw Material & Spares	1,47,41,957	1,60,05,686
Work in Progress	56,62,333	1,39,01,245
	2,04,04,290	2,99,06,931

Cost of Inventories recognised as an expense include Rs.308,167/- (2019-20 Rs.10,50,000/-) in respect of write - downs of inventory to net realisable value.

Notes to the financial statements for the year ended March 31, 2021

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	**As at March 31, 2021**	**As at March 31, 2020**
	`	`
Balances with Banks in current accounts	19,26,839	20,81,953
Cash on hand	53,934	1,65,613
Total Cash & Cash Equivalents	**19,80,773**	**22,47,566**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	31,97,928	30,68,876
Total Bank Balances other than Cash & Cash Equivalents	**31,97,928**	**30,68,876**

11. Other assets

Particulars	**Non Current**		**Current**	
	As at March 31, 2021	**As at March 31, 2020**	**As at March 31, 2021**	**As at March 31, 2020**
	`	`	`	`
Prepaid expenses	-	-	1,78,295	3,40,126
Balance with statutory/ government authorities	-	-	19,32,010	57,30,991
Gratuity	-	-	4,78,363	1,72,207
Advance to Employees	-	-	69,615	4,18,576
Advances to Vendors - Considered Doubtful	-	-	17,29,215	19,56,799
Less: Provision for doubtful advances	-	-	11,50,743	-
	-	-	5,78,472	19,56,799
Total	-	-	32,36,755	86,18,699

Notes to the financial statements for the year ended March 31, 2021

12. Equity Share Capital

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Equity share capital	4,82,72,630	4,82,72,630
Total	4,82,72,630	4,82,72,630
Authorised Share capital :		
50,00,000 fully paid equity shares of ` 10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital comprises:		
48,27,263 fully paid equity shares of `.10 each (as at March 31, 2021: 48,27,263)	4,82,72,630	4,82,72,630
	4,82,72,630	4,82,72,630

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital `
Balance at April 1, 2019	28,27,263	2,82,72,630
Add: Issued during the year	20,00,000	2,00,00,000
Less: Bought back during the year	-	-
Balance at March 31, 2020	48,27,263	4,82,72,630
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at March 31, 2021	**48,27,263**	**4,82,72,630**

Fully paid equity shares have a par value of `.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the period - Held by Eureka Forbes Limited	48,27,263	48,27,263
Total as at the end of the period	**48,27,263**	**48,27,263**

12.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% holding in the class of shares	Number of shares held	% holding in the class of shares
Fully paid equity shares				
Eureka Forbes Limited	48,27,263	100%	48,27,263	100%
Total	**48,27,263**	**100%**	**48,27,263**	**100%**

12.4 Capital management

The company manages its capital to ensure that it will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the company consists of net debt (borrowings as detailed in notes 17 offset by cash and bank balances) and equity of the Company (comprising issued capital, reserves and retained earnings as detailed in notes 12 to 13).

The company is not subject to any externally imposed capital requirements.

The companys strategy is to maintain a gearing ratio within 10%. The gearing ratio were as follow:

12.4.1 Gearing ratio

The gearing ratio at end of the reporting period was as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Debt (i)	1,50,00,000	1,50,00,000
Cash and bank balances	21,31,268	70,39,283
Net debt	1,28,68,732	79,60,717
Equity (ii)	13,85,573	1,75,26,712
Net debt to equity ratio	**9.29**	**0.45**

Debt is defined as long- and short-term borrowings (excluding derivative, financial guarantee contracts and contingent consideration), as described in note 17.

13. Other equity

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
Retained earnings		
Balance at beginning of year	(3,07,45,918)	(2,17,46,107)
Add/ (less): Profit/ (loss) for the year	(1,63,04,520)	(89,24,699)
Add: Transfer from OCI	1,63,381	(75,112)
Balance at end of the year	**(4,68,87,057)**	**(3,07,45,918)**

Notes to the financial statements for the year ended March 31, 2021

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current As at March 31, 2021 `	Non Current As at March 31, 2020 `	Current As at March 31, 2021 `	Current As at March 31, 2020 `
(a) Interest accrued but not due on borrowings	-	-	3,90,022	195
(b) Deposits for Jars	-	-	6,32,440	6,32,440
(c) Others :-				
-Dues to employees	-	-	19,73,779	25,83,705
-Dues to Others	-	-	15,27,497	11,74,336
(d) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)	-	-	15,73,290	35,03,205
Total	-	-	60,97,028	78,93,881

15. Provisions

Particulars	Non Current As at March 31, 2021 `	Non Current As at March 31, 2020 `	Current As at March 31, 2021 `	Current As at March 31, 2020 `
Employee benefits on Compensated absence	2,18,997	2,71,375	65,882	52,337
Provision for Warranty (see 15.1)	-	-	43,560	78,028
Total	**2,18,997**	**2,71,375**	**1,09,442**	**1,30,365**

15.1 Provision for Warranty

The company gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The Table given below gives information about movement in warranty provisions.

Particulars	As at March 31, 2021 `	As at March 31, 2020 `
At the beginning of the year	78,028	1,36,254
Additions during the year	43,560	78,028
Utilization during the year	-	-
Amount reversed /(utilisation) during the year	78,028	1,36,254
At the end of the year	**43,560**	**78,028**

16. Other Liabilities

Particulars	Non Current As at March 31, 2021	Non Current As at March 31, 2020 `	Current As at March 31, 2021 `	Current As at March 31, 2020 `
(a) Advance received from Customers	-	-	4,98,935	16,87,525
Total	**-**	**-**	**4,98,935**	**16,87,525**

17. Current Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below)	1,50,00,000	1,50,00,000
Total	1,50,00,000	1,50,00,000

(i) Amounts repayable to related parties of the Group. Interest of 11.40% per annum is charged on the outstanding loan balances (as at March 31, 2020 11.40%).

18. Trade payables

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Trade payables - MSME (Refer note below 18.1 for dues to Micro and Small Enterprises)	-	-	23,42,015	54,40,183
Trade payables (including acceptances)	-	-	4,47,37,193	4,74,77,810
Trade payables to related parties (refer note 30 (II))	-	-	6,48,351	49,586
Total	**-**	**-**	**4,77,27,559**	**5,29,67,579**

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

18.1 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to MSME suppliers as on year end	23,22,140	53,81,821
(ii) Interest due on unpaid principal amount to MSME suppliers as on year end	19,875	58,362

19. Income tax assets and liabilities

Particulars	Non Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	42,71,845	1,00,24,512		-
Total	42,71,845	1,00,24,512		-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	2,61,275	36,32,490
Total	-	-	2,61,275	36,32,490

Notes to the financial statements for the year ended March 31, 2021

20. Revenue from operations

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
(a) Sale of - Products	7,09,18,511	14,40,83,792
- Traded Goods	9,84,072	45,04,307
(b) Sale of services	65,60,239	1,48,27,169
Total	**7,84,62,822**	**16,34,15,268**

21. Other Income and other gains/ (losses)

21.1 Other Income	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Interest on Bank deposits (at amortised cost)	2,00,597	3,20,815
Interest on Income Tax Refund	1,19,087	-
Others - Misc Receipts	57,902	2,27,108
Total	**3,77,586**	**5,47,923**

21.2 Other gains/(losses)	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Net foreign exchange gains/(losses)	1,406	-
Net gain/(loss) arising on financial assets measured at FVTPL	1,02,337	(50,519)
Total	**1,03,743**	**(50,519)**
Total (21.1+ 21.2)	**4,81,329**	**4,97,404**

22. Cost of materials consumed

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Inventory at the beginning of the year	1,60,05,686	1,67,25,762
Add:- Purchases	5,81,55,138	12,85,59,717
Less:- Inventory at the end of the year	(1,47,41,957)	(1,60,05,686)
Cost of Raw Material & Components consumed	5,94,18,867	12,92,79,793
Purchase of traded products	4,73,294	45,14,490
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	82,38,912	(1,24,52,828)

23. Employee benefits expense

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Salaries and Wages	1,31,34,139	1,64,19,984
Contribution to provident and other funds	6,31,306	8,83,789
Staff Welfare Expenses	7,245	4,15,552
Total	**1,37,72,690**	**1,77,19,325**

24. Finance costs

	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Bank Charges	31,103	3,75,920
Interest on bank overdrafts and loans (other than those from related parties)	1,696	588
Bill Discounting Charges	2,02,989	9,33,228
Unwinding Interest on lease liabilities	41,475	59,500
Interest on ICD from holding company	17,10,005	26,57,918
Total	**19,87,268**	**40,27,154**

25. Depreciation and amortisation expense

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Depreciation of property, plant and equipment (Note 4)	5,17,165	5,47,858
Amortisation of Right of use Assets	8,92,399	8,50,742
Amortisation of intangible assets (Note 5)	6,542	13,547
Total depreciation and amortisation pertaining to continuing operations	**14,16,106**	**14,12,147**

26. Other expenses

Particulars	Year ended March 31, 2021 `	Year ended March 31, 2020 `
Electricity	2,71,113	7,99,340
Rent	9,30,352	16,52,416
Repairs and Maintenance - Others	75,572	3,54,352
Insurance	3,79,509	5,64,374
Selling and Sales Promotion	-	60,000
Freight, Forwarding and Delivery	7,71,847	75,63,899
Payment to Auditors (Refer details Below)	4,73,500	6,72,701
Printing and Stationery	45,546	1,41,838
Communication cost	2,99,510	5,34,769
Travelling and Conveyance	7,69,828	27,67,191
Legal and Professional Fees	4,99,492	6,45,962
Vehicle Running Expenses	4,950	16,665
Rates and taxes, excluding taxes on income	6,32,518	11,14,996
Service Charges	14,24,480	37,38,494
Loss on sale/Scrap of fixed assets (net)	91,586	-
Other Establishment Expenses	7,10,665	29,40,039
Bad Debts/Advances written off	-	79,790
Provision for Doubtful Debts/Advances	24,81,746	14,47,992
Total	**98,62,214**	**2,50,94,818**

Payments to auditors	Year ended March 31, 2021 `	Year ended March 31, 2020 `
a) For audit	3,56,000	3,56,000
b) For taxation matters	87,500	87,500
c) For other services	30,000	45,000
d) Limited Review Fees	-	1,50,000
e) For reimbursement of expenses	-	34,201
Total	**4,73,500**	**6,72,701**

27. Income taxes

27.1 Income tax recognised in profit or loss

Particulars	Year ended March 31, 2020 `	Year ended March 31, 2020 `
Current tax		
In respect of prior years	79,320	1,21,215
	79,320	**1,21,215**
Deferred tax		
In respect of the year	-	31,21,257
Total income tax expense recognised in the current year	**79,320**	**32,42,472**

27.2 Income Taxes

(a) Amounts recognised in profit and loss

Particulars	**For the year ended March 31, 2021**	**For the year ended March 31, 2020** `
Current income tax	-	-
Prior year tax Provision	79,320	1,21,215
Deferred income tax liability / (asset), net		
Origination and reversal of temporary differences	-	31,21,257
Reduction in tax rate		
Recognition of previously unrecognised tax losses		
Change in recognised deductible temporary differences		
Deferred tax	-	31,21,257
Tax expense for the year	**79,320**	**32,42,472**

(b) Amounts recognised in other comprehensive income

Particulars	**For the year ended March 31, 2021**			**For the year ended March 31, 2020**		
	Before tax `	**Tax (expense) benefit** `	**Net of tax** `	**Before tax** `	**Tax (expense) benefit** `	**Net of tax** `
Items that will not be reclassified to profit or loss						
Changes in revaluation surplus						-
Remeasurements of the defined benefit plans				(75,112)	-	-
				(75,112)	**-**	**-**

(c) Reconciliation of effective tax rate

Particulars	**For the year ended March 31, 2021** `	**For the year ended March 31, 2020** `
Profit/ (Loss) before tax	**(1,62,25,200)**	**(56,82,227)**
Revised Profit before tax	**(1,62,25,200)**	**(56,82,227)**
Tax using the Company's domestic tax rate (Current year Nil and Previous Year Nil)	-	-
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	(31,21,257)
	-	(31,21,257)

Effective tax rate

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Significant management judgement is required in determing the provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which the deferred income tax assets will be recovered.

Owing to losses in the current year, no provision for current tax has been made.

Notes to the financial statements

28. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

i. Profit/(Loss) attributable to Equity holders

	March 31, 2021	**March 31, 2020**
	`	`
Profit/(Loss) attributable to equity holders:	(1,63,04,520)	(89,24,699)
Profit/(Loss) attributable to equity holders for basic earnings	(1,63,04,520)	(89,24,699)

ii. Weighted average number of ordinary shares

	March 31, 2021	**March 31, 2020**
	Nos.	**Nos.**
Issued ordinary shares at April 1	48,27,263	29,27,263
Effect of shares issued during the year	-	11,85,792
Weighted average number of shares at June 30 for basic EPS	48,27,263	40,13,055
Effect of dilution:		-
Weighted average number of shares at March 31 for EPS afte dilution	**48,27,263**	**40,13,055**

Basic and Diluted earnings per share

	March 31, 2021	**March 31, 2020**
	`	`
Basic earnings per share	(3.38)	(2.22)
Diluted earnings per share	(3.38)	(2.22)

Notes to the financial statements for the year ended March 31, 2021 - continued

29. Employee benefit plans

29.1 Defined contribution plans

The Company operates defined contribution retirement benefit plans for all qualifying employees of its Company. The assets of the plans are held with central government. Where employees leave the plans prior to full vesting of the contributions, the contributions payable by the Company are reduced by the amount of forfeited contributions.

	Year ended March 31, 2021	Year ended March 31, 2020
Amount recognised as expense and included in note 23 as contribution to provident and other funds	6,31,306	8,83,789

29.2 Defined benefit plans

The Company has a defined benefit gratuity scheme for employees who have completed minimum 5 years of service. The scheme is funded with Life Insurance Corporation (LIC).

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. For other defined benefit plans, the discount rate is determined by reference to market yields at the end of the reporting period on high quality corporate bonds when there is a deep market for such bonds; if the return on plan asset is below this rate, it will create a plan deficit. Currently the plan has a relatively balanced investment in LIC. Due to the long-term nature of the plan liabilities, the board of the Fund considers it appropriate that a reasonable portion of the plan assets should be invested in equity securities and in real estate to leverage the return generated by the Fund.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The risk relating to benefits to be paid to the dependents of plan members (widow and orphan benefits) is not funded.

No other post-retirement benefits are provided to these employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by an independent actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows.

Particulars	Valuation as at	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate(s)	6.57%	6.56%
Expected rate(s) of salary increase	5.00%	5.00%
Mortality rates*	Indian Assured Lives Mortality (2006-08) Ult	Indian Assured Lives Mortality (2006-08) Ult
Employee turnover	10%	10%

* Based on India's standard mortality table with modification to reflect expected changes in mortality.

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Service cost:		
Current service cost	1,06,181	1,07,753
Past service cost and (gain)/loss from settlements	-	-
Net interest cost	(11,297)	(25,230)
Components of defined benefit costs recognised in profit or loss	94,884	82,523
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense)	(1,14,085)	1,12,293
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	(554)	64,359
Actuarial (gains) / losses arising from experience adjustments	(48,742)	(1,01,140)
Others		
Components of defined benefit costs recognised in other comprehensive income	**(1,63,381)**	**75,512**
Total	**(68,497)**	**1,58,035**

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the statement of profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows.

Particulars	As at March 31, 2021	As at March 31, 2020
Present value of funded defined benefit obligation	(14,84,013)	(15,62,300)
Fair value of plan assets	19,62,376	17,34,507
Funded status	4,78,363	1,72,207
Restrictions on asset recognised Others		
Net Asset arising from defined benefit obligation	**4,78,363**	**1,72,207**

Movements in the present value of the defined benefit obligation are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening defined benefit obligation	15,62,300	14,67,653
Current service cost	1,06,181	1,07,753
Interest cost	1,02,487	1,12,129
Remeasurement (gains)/losses:		
Actuarial gains and losses arising from changes in demographic assumptions	-	-
Actuarial gains and losses arising from changes in financial assumptions	(554)	64,359
Actuarial gains and losses arising from experience adjustments	(48,742)	(1,01,140)
Liability transferred in / acquisition	-	-
Past service cost, including losses/(gains) on curtailments		
Liabilities extinguished on settlements		
Benefits paid directly by the Employer	(2,37,659)	
Benefits paid	-	(88,454)
Closing defined benefit obligation	**14,84,013**	**15,62,300**

Movements in the fair value of the plan assets are as follows.

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening fair value of plan assets	17,34,507	17,97,895
Interest income	1,13,784	1,37,359
Remeasurement gain (loss):	-	-
Return on plan assets (excluding amounts included in net interest expense)	1,14,085	(1,12,293)
Others	-	-
Contributions from the employer		
Contributions from plan participants	-	-
Assets distributed on settlements	-	-
Assets transferred in / acquisitions	-	-
The effects of changes in Foreign Exchange Rates	-	-
Benefits paid	-	(88,454)
Closing fair value of plan assets	**19,62,376**	**17,34,507**

Expenses Recognised in the Statement of Profit or Loss for Current Period

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Current Service Cost	1,06,181	1,07,753
Net Interest Cost	(11,297)	(25,230)
Acturial (Gain)/ Losses		
Expenses Recognised in the Statement of Profit or Loss	94,884	82,523

Expenses Recognised in other comprehensive Income (OCI) for Current Period

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Acturial (Gains)/ losses on Obligation for the period	(49,296)	(36,781)
Return on Plan Assets, excluding interest income	(1,14,085)	1,12,293
Change in asset ceiling		
Net (income) / expense for the period recognised in OCI	**(1,63,381)**	**75,512**

Balance Sheet Reconcilation

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Net Liability	(1,72,207)	(3,30,242)
Expense Recognised in Statement of Profit or Loss	94,884	82,523
Expense Recognised in other comprehensive income	(1,63,381)	75,512
Net Liability /(Asset) Transfer In	-	-
Net Liability /(Asset) Transfer Out	-	-
(Benefit paid Directly by the Employer)	(2,37,659)	-
(Employer's Contribution)	-	-
Net Liability /(Asset) Recognised in the Balance Sheet	**(4,78,363)**	**(1,72,207)**

Sensitivity Analysis

Particulars	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
Presented benefit obligation on current assumptions	14,84,013	15,62,300	14,67,653	13,13,534	13,19,451
Discount rate (1% increase)	(52,150)	(59,879)	(56,713)	(72,431)	(77,673)
Discount rate (1% decrease)	59,115	67,921	64,171	81,492	87,914
Future salary growth (1% increase)	59,453	68,304	65,230	82,962	88,992
Future salary growth (1% decrease)	(53,359)	(61,262)	(58,577)	(74,923)	(79,932)
Attrition movement (1% increase)	4,861	6,598	12,017	14,006	10,715
Attrition movement (1% decrease)	(5,552)	(7,443)	(13,473)	(15,823)	(12,344)

Forbes Enviro Solutions Limited

Notes to the financial statements

30. Related party transaction

(I) Name of related Party and nature of relationship where control exists are as under :

A Enterprises having more than one half of Voting Powers -
Shapoorji Pallonji and Company Pvt. Ltd. - Ultimate Holding Company
Eureka Forbes Limited Holding Company

B. Enterprises under Common Control -(where there are transactions)
Afcon Insfrastructure Ltd
Sterling and Wilson Ltd
Eureka Forbes Institute of Environment
Forbes Facility Services Private Limited

(II) Transactions with Related Parties for the year ended 31st March, 2021

Nature of Transactions	A				B									
	Eureka Forbes Limited		**Shapoorji Pallonji and Company Private Limited**		**Forbes Facility Services Private Limited**		**Afcon Infrastructure Ltd.**		**Sterling & Wilson Pvt. Ltd.**		**Forbes Lux FZCO**		**Eureka Forbes Institute of Environment**	
	`	`	`	`	`	`	`	`	`	`	`	`	`	`
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Purchases														
Goods and Materials	46,70,816	1,29,85,703	-	-	-	-	-	-	-	-	-	-	-	-
Services Rendered	1,45,661	2,42,530		-	5,13,973	42,747	-	-	-	-	-	-	-	-
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	48,16,477	1,32,28,233	-	-	5,13,973	42,747	-	-	-	-	-	-	-	-
Sales														
Goods and Materials	6,39,34,012	12,17,25,323	1,10,147	66,55,659	-	-	-	-	-	-	74,569	-	-	37,86,620
Services Rendered	18,77,044	83,88,363	22,98,605	8,45,004	-	-	-		-	-		-	-	-
Recovery of Expenses	-	17,96,239	-											
	6,58,11,056	13,19,09,925	24,08,752	75,00,663	-	-	-	-	-	-	74,569	-	-	37,86,620
Expenses														
Rent and other services	11,53,484	9,74,614	20,218	86,462		-	-	-	-	-	-	-	-	-
Interest on ICD Taken	17,10,005	26,57,818	-				-	-	-	-	-	-	-	-
	28,63,489	36,32,432	20,218	86,462	-	-	-	-	-	-	-	-	-	-
Finance														
Inter-corporate deposits repaid	-	2,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-
Equity Shares Issued	-	2,00,00,000	-	-	-	-	-	-	-	-	-	-	-	-
Outstanding														
Trade Payables	-		-		6,48,351	49,586	-	-	-	-	-	-	-	-
Accured Interest on ICD	3,90,022													
Inter-corporate deposits Payable	1,50,00,000	1,50,00,000	-	-	-	-	-	-	-	-		-	-	-
Trade Receivables	83,38,413	53,67,938	76,07,718	77,47,301	-	-	18,657	1,93,057	11,644	11,644	75,975	-	-	6,89,722
Other Deposits Receivable	10,000	10,000	-	-	-	-	-	-	-	-			-	-

Notes to the financial statements for the year ended March 31, 2021 - continued

31. Operating leases

Company as a lessor:

Requirements with regard to lessor accounting are substantially similar to accounting requirements contained in Ind AS 17. Accordingly, Company will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

Company as a lessee:

The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2020 using the modified prospective method. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as at the date of initial application of the standard, and discounted at the Company's incremental borrowing rate at the date of initial application.

The change in accounting policy affected the following items in Balance Sheet-

Right of Use asset increased by - ₹ 8,24,121/-
Lease Liability increased by - ₹ 8,24,121/-

The following is the summary of practical expedients elected on initial application:

1 The Company has not reassessed whether a contract is or contains a lease at the date of initial application.
2 Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
3 Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
4 Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
5 Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.
6 The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.25%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	**Category Premises**	**Total**
	`	`
Balance as at April 1, 2020	**1,95,252**	**1,95,252**
Reclassified on account of adoption of Ind AS 116		-
Additions*	8,24,121	8,24,121
Deletion	-	-
Depreciation	(8,92,399)	(8,92,399)
Balance as at March 31, 2021	**1,26,974**	**1,26,974**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	**As at March 31, 2021**
	`
Current lease liabilities	1,34,370
Non-current lease liabilities	-
Total	**1,34,370**

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	**As at March 31, 2021**
	`
Balance at the beginning	**1,87,134**
Additions	8,24,121
Finance cost accrued during the period	41,475
Deletions	-
Payment of lease liabilities	(9,18,360)
Translation Difference	
Balance at the end	**1,34,370**

Amounts recognised in profit and loss

Particulars	**As at March 31, 2021**
	`
Depreciation expense on right-of-use assets	8,92,399
Interest expense on lease liabilities	41,475
Expense relating to short-term leases	9,30,352

32. Contingent liabilities

	Particulars	As at March 31,2021	As at March 31,2020
		`	`
	Claim against the company not acknowledged as debt		
1	Income tax matters	Nil	3,30,557
2	Sales Tax Matters F.Y.2002-2003 and 2004-05	86,150	86,150
3	Bank Guarantees	12,21,696	12,21,696

Notes:

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

33. Segment reporting

The Company was set up with the objective of manufacturing water treatment products. This is the only activity performed and is thus also the main source of risks and returns. Accordingly, the Company has a single reportable segment. Further, as the Company does not operate in more than one geographical segment, hence the relevant disclosures as per Ind AS 108 are not applicable to the company. One customer (related party) accounts for more than 10% of the total revenue of the company.

34. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

Notes to the financial statements

35. Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	March 31, 2021			March 31, 2020		
	FVTPL	**FVTOCI**	**Amotised Cost**	**FVTPL**	**FVTOCI**	**Amotised Cost**
Financial assets						
Cash and cash equivalents	-	-	19,80,773	-	-	22,47,566
Other bank balances	-	-	31,97,928	-	-	30,68,876
Long-term loans and advances	-	-	-	-	-	-
Short-term loans and advances	-	-	-	-	-	-
Trade and other receivables	-	-	2,35,60,525	-	-	2,80,83,610
Current Investments	2,39,522	-		1,37,184	-	-
Non Current Investments	-	-	-	-	-	-
Other Current financial Asset	-	-	5,864	-	-	5,480
Other Non Current financial Asset	-	-	1,28,49,548	-	-	1,48,34,503
				-	-	
Total Financial Asset	**2,39,522**	**-**	**4,15,94,638**	**1,37,184**	**-**	**4,82,40,035**
Financial liabilities				-	-	
Trade and other payables	-	-	4,77,27,559	-	-	5,29,67,579
Other Current financial liabilities	-	-	60,97,028	-	-	78,93,881
Other Non Current financial liabilities	-	-	-	-	-	-
Current Borrowings	-	-	1,50,00,000	-	-	1,50,00,000
Non Current Borrowings	-	-	-	-	-	-
	-	-	-	-	-	
Total Financial Liabilities	**-**	**-**	**6,88,24,587**	**-**	**-**	**7,58,61,460**

Fair value Hierarchy

This section explains the judgement and the estimates made in determiningg the fair values of the financial instuments that are (a) recognised and measured at fair value and(b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

		March 31, 2021				March 31, 2020			
Assets and Liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets									
Long-term loans and advances		-	-	-	-	-	-	-	-
Short-term loans and advances		-	-	-	-	-	-	-	-
Trade and other receivables		-	-	-	-	-	-	-	-
Current Investments	6	2,39,522	-	-	2,39,522	1,37,184	-	-	1,37,184
Non Current Investments		-	-	-	-	-	-	-	-
Other Current financial Asset		-	-	-	-	-	-	-	-
Other Non Current financial Asset		-	-	-	-	-	-	-	-
Total Financial Asset		**2,39,522**	**-**	**-**	**2,39,522**	**1,37,184**	**-**	**-**	**1,37,184**
Financial liabilities									
Trade and other payables		-	-	-	-	-	-	-	-
Other Current financial liabilities		-	-	-	-	-	-	-	-
Other Non Current financial liabilities		-	-	-	-	-	-	-	-
Current Borrowings		-	-	-	-	-	-	-	-
Non Current Borrowings		-	-	-	-	-	-	-	-
Total Financial Liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Level 1 : Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (inlcuding bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2 : The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivates) is determined using valuation techniques which maximise the use ofobservable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Valuation techniques and significant unobservable inputs
Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments.
- the fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- the fair value of forward foreign excahnge contracts and principal swap is determined using forward exchange rates at the balance sheet date.
- the fair value of foreign currency option contracts is determined using the Black Scholes valuation model.
- the fair value of the remaining financial instruments is determined using the discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's board of directors has overall

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

35. Financial instruments – Fair values and risk management (contd)

Impairment

At March 31, 2021, the ageing of trade and other receivables that was as follows:

	Carrying amount (in INR)	
	March 31, 2021	**March 31, 2020**
Not due	91,08,501	80,71,968
0-30 days	14,95,040	9,16,216
31-60 days	2,41,691	10,86,879
61-90 days	74,569	2,94,661
91-180 days	1,76,471	18,73,434
181-365 days	6,38,454	39,42,832
365 days and above	1,62,96,216	2,36,44,808
	2,80,30,942	3,98,30,798

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk.

An analysis of the credit quality of trade and other receivables that are neither past due nor impaired is as follows.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows.

	INR
	Collective impairments
Balance as at April 1, 2019	1,02,99,196
Impairment loss recognised	14,47,992
Amounts written off	-
Balance as at March 31, 2020	1,17,47,188
Impairment loss recognised	13,31,003
Amounts written off	86,07,774
Balance as at March 31, 2021	44,70,417

At March 31, 2021, there was an impairment loss of INR 13,31,003/- related to a several customers where the company is doubtful of recovery. The Company believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 19,80,773/- at March 31, 2021 (March 31, 2020: INR 22,47,566/-).

35. Financial instruments – Fair values and risk management (contd)
B. Measurement of fair values

C. Financial risk management
The Company has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework
The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

The carrying amount of following financial assets represents the maximum credit exposure:

Particulars	As at March 31,2021	As at March 31,2020
Trade receivables	2,35,60,525	2,80,83,610
Cash and cash equivalents	19,80,773	22,47,566
Other bank balances	31,97,928	30,68,876
Other financial assets	1,28,55,412	1,48,39,983

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the board.

The Company establishes an allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by geographic region was as follows.

	Carrying amount (in INR)	
	March 31, 2021	March 31, 2020
India	2,34,85,956	2,80,83,610
Other regions	74,569	-
	2,35,60,525	2,80,83,610

At March 31, 2021, the maximum exposure to credit risk for trade and other receivables by type of counterparty was as follows

	Carrying amount (in INR)	
	March 31, 2021	March 31, 2020
Construction (includes related party)	1,07,08,038	1,28,26,672
Education	-	4,29,695
Hospital	43,751	43,751
Hotel	82,600	1,39,973
Manufacturing	18,76,067	30,95,598
Trading Company (includes related party)	1,03,09,575	80,94,238
Others	5,40,494	34,53,683
Total	2,35,60,525	2,80,83,610

At March 31, 2021, the Company's most significant customer other than the related party, a construction company, accounted for INR 30,17,100 /- of the trade and other receivables carrying amount (March 31, 2020 : INR 128,26,672/-).

35. Financial instruments – Fair values and risk management (contd)

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains the following lines of credit.
INR 1,00,000/- overdraft facility with IDBI Bank Ltd. that is secured against Fixed Deposit. Interest would be payable at the rate of 8.50%p.a (March 31, 2020: 8.20% p.a).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

		Contractual cash flows				
March 31, 2021	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	4,77,27,559	4,77,27,559	4,77,27,559	-	-	-
Other financial liabilities	60,97,028	60,97,028	60,97,028	-	-	-

		Contractual cash flows				
March 31, 2020	**Carrying amount**	**Total**	**Upto 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Borrowings	1,50,00,000	1,50,00,000	1,50,00,000	-	-	-
Trade and other payables	5,29,67,579	5,29,67,579	5,29,67,579	-	-	-
Other financial liabilities	78,93,881	78,93,881	78,93,881	-	-	-

35. Financial instruments – Fair values and risk management (contd)

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

Currency risk

The Company does not use derivative financial instruments for trading or speculative purposes.

Exposure to currency risk

The currency profile of financial assets and financial liabilities as at March 31, 2020 and March 31, 2019 are as below:

	March 31, 2021 **USD**	March 31, 2020 **USD**
Financial assets		
Trade receivables	1,025	-
	1,025	-

The following significant exchange rates have been applied during the year.

	Average rate		**Year-end spot rate**	
INR	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
USD /INR	73.22	74.74	74.12	74.12

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit or loss		**Equity, net of tax**	
Effect in INR	Strengthening	Weakening	Strengthening	Weakening
March 31, 2021				
USD 5% movement	3,799	-	2,625	-
	3,799	-	2,625	-

35. **Financial instruments – Fair values and risk management (contd)**

v. Interest risk

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was as follows

	As at March 31, 2021	As at March 31, 2020
Fixed rate instruments		
Financial assets		
Deposits with banks	33,48,423	47,91,717
Financial Liabilities		
Intercorporate deposit from related parties	1,50,00,000	1,50,00,000
	1,50,00,000	**1,50,00,000**

Cash flow sensitivity analysis for variable-rate instruments

An increase of 50 basis points in interest rates at the reporting date would have decreased gain as at year end by the amounts shown below. This analysis assumes that all other variables remain constant.

Particulars	**Profit or loss**
March 31,2021	
Variable-rate instruments	-
Cash flow senstivity	**-**
March 31, 2020	
Variable-rate instruments	-
Cash flow senstivity	**-**

A decrease of 50 basis points in the interest rates at the reporting date would have had equal but opposite effect on the amounts shown above, on the basis that all other variable remain constant.

35. Financial instruments – Fair values and risk management (contd)

(vi) Price Risk

(a) Exposure

The Company's exposure to mutual fund price risk arises from investment held by the company and classified in the balance sheet as fair value through profit or loss.

(b) Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the company's equity and profit for the period. The analysis is based on the assumption that the NAV is linked to BSE Sensex movement which had increased or decreased by 10% (2020-10%) with all other variables held constant.

	Impact on profit after tax		Impact on other components of equity	
	March 31,2021	**March 31,2020**	**March 31,2021**	**March 31,2020**
Increase in NAV by 10%(2021 - 10%)	23,952	13,718	-	-
Decrease in NAV by 10%(2020 - 10%)	(23,952)	(13,718)	-	-

Profit for the period would increase/decrease as a result of gains/losses on NAV of mutual fund securities classified as at fair value through profit or loss.

36. Figures for the previous year have been regrouped wherever necessary.

As per our report of even date
For BATLIBOI & PUROHIT
Chartered Accountants
Firm Regn No.101048W

Director
Vikram Surendran
(DIN: 07322381)

ATUL MEHTA
Partner
Membership No.15935

Director
R.S.Moorthy
(DIN: 02706251)

Mumbai, Dated 04th June,2021

Forbes Enviro Solutions Limited

Balance Sheet As At 30th June, 2021

			Notes	As at June 30, 2021	As at June 30, 2020
					₹
		ASSETS			
		Non-current Assets			
(a)		Property, plant and equipment	4	13,67,379	19,50,677
(b)		Other Intangible assets	5	75,835	88,209
(c)		Right of Use Assets	31	-	7,83,407
(d)		Financial assets			
	(i)	Other financial assets	8	1,43,43,504	64,24,878
(e)		Tax assets			
	(i)	Current tax asset (Net)	19	43,08,504	1,00,92,366
		Total Non-current Assets		**2,00,95,222**	**1,93,39,537**
		Current Assets			
(a)		Inventories	9	1,84,35,711	2,83,73,821
(b)		Financial assets			
	(i)	Investments	6	2,39,522	1,37,184
	(ii)	Trade receivables	7	2,13,90,809	2,79,63,873
	(iii)	Cash and cash equivalents	10	8,34,067	19,16,168
	(iv)	Bank balances other than (iii) above	10	25,20,178	28,58,727
	(v)	Other financial assets	8	6,096	6,736
(c)		Other current assets	11	20,94,796	1,47,88,295
		Assets classified as held for sale			
		Total Current Assets		**4,55,21,179**	**7,60,44,804**
		Total Assets		**6,56,16,401**	**9,53,84,341**
		EQUITY AND LIABILITIES			
		Equity			
(a)		Equity share capital	12	4,82,72,630	4,82,72,630
(b)		Other Equity	13	(4,87,83,591)	(3,43,52,894)
		Total Equity		**(5,10,961)**	**1,39,19,736**

			Note		
		Liabilities			
		Non-current Liabilities			
(a)		Provisions	**15**	2,01,872	2,59,805
		Total Non-current Liabilities		**2,01,872**	**2,59,805**
		Current Liabilities			
(a)		Financial liabilities			
	(i)	Borrowings	**17**	1,50,00,000	1,50,00,000
	(ii)	Lease Liability	**31**	-	7,86,366
	(iii)	Trade and other payables			
	(a)	Total outstanding dues of micro and small enterprises	**18**	22,08,786	33,53,505
	(b)	Total outstanding dues other than (ii) (a) above	**18**	4,24,84,042	4,88,44,353
	(iv)	Other financial liabilities	**14**	48,04,555	74,25,581
(b)		Provisions	**15**	1,09,442	81,030
(c)		Current tax liabilities (Net)	**19**	2,61,275	36,32,490
(d)		Other current liabilities	**16**	10,57,390	20,81,475
		Total Current Liabilities		**6,59,25,490**	**8,12,04,800**
		Total Liabilities		**6,61,27,362**	**8,14,64,605**
		Total Equity and Liabilities		**6,56,16,401**	**9,53,84,341**

For and on behalf of the Board of Directors of

Forbes Enviro Solutions Limited

Marzin R Shroff
Director
(DIN: 00642613)

R.S.Moorthy
Director
(DIN: 02706251)

Place: Mumbai
Date: August 2, 2021

Forbes Enviro Solutions Limited

Statement of Profit and Loss for the period ended 30th June, 2021

		Notes	Jun 30,2021	Jun 30,2020
			₹	₹
I	**Income**			
	Revenue from Operations	20	1,11,92,853	94,50,051
	Other income	21	66,873	83,549
	Total Income		**1,12,59,726**	**95,33,600**
II	**Expenses**			
	Cost of materials consumed	22	91,21,848	11,91,886
	Purchases of stock-in-trade	22	80,028	93,528
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	22	(7,26,289)	55,92,253
	Employee benefits expenses	23	27,34,539	38,50,375
	Finance costs	24	4,30,727	4,34,164
	Depreciation and amortisation expense	25	2,42,915	3,71,528
	Other expenses	26	12,72,492	16,06,842
	Total expenses		**1,31,56,260**	**1,31,40,576**
III	**Profit/(Loss) before exceptional items and tax**		**(18,96,534)**	**(36,06,976)**
	Add/ (Less) : Exceptional items			-
IV	**Profit/(Loss) before tax**		**(18,96,534)**	**(36,06,976)**
	Less: Tax expense			
(1)	Current tax		-	-
(2)	Prior year tax Provision		-	-
(3)	Deferred tax - Debit/(Credit)		-	-
			-	-
V	**Profit/(Loss) for the year**		**(18,96,534)**	**(36,06,976)**
VI	**Other Comprehensive Income**			
A	Items that will not be reclassified to statement of profit or loss			
(a)	Remeasurements of the defined benefit plans		-	-
(b)	Income tax relating to items that will not be reclassified to statement of profit or loss			-
			-	-
B	Items that may be reclassified to statement of profit or loss			
(a)	Income tax relating to items that may be reclassified to statement of profit or loss			
				-
	Total other comprehensive income (A + B)		-	-
	Total comprehensive income for the period (V+VI)		**(18,96,534)**	**(36,06,976)**
	Profit/ (Loss) for the year attributable to:			
	- Owners of the Company		(18,96,534)	(36,06,976)
			(18,96,534)	(36,06,976)
	Other comprehensive income for the year attributable to:			
	- Owners of the Company		-	-
			-	-
	Total comprehensive income for the year attributable to:			
	- Owners of the Company		(18,96,534)	(36,06,976)
			(18,96,534)	(36,06,976)
	Earnings per equity share			
	(1) Basic (in Rs.)		(0.39)	(0.75)
	(2) Diluted (in Rs.)		(0.39)	(0.75)

For and on behalf of the Board of Directors of
Forbes Enviro Solutions Limited

Marzin R Shroff
Director
(DIN: 00642613)

R.S.Moorthy
Director
(DIN: 02706251)

Place: Mumbai
Date: August 2, 2021

Forbes Enviro Solutions Limited

Cash Flow Statement for the period ended 30th June2021

	Year ended June 30, 2021 ₹
Cash flows from operating activities	
Profit/loss before tax for the year	(18,96,534)
Adjustments for:	
Finance costs recognised in profit or loss	4,29,318
Unwinding Interest on Lease Liabilities	1,409
Investment Loss/ (gain) recognised in profit or loss	-
Interest Income	(66,873)
(Profit)/Loss on disposal of property, plant and equipment	-
Provision for Doubtful Debts/Advances	-
Bad Debts/Advances written off	-
Depreciation and amortisation of fixed assets/ intangibles	1,15,941
Amortisation of Right-of use Assets	1,26,974
Remeasurement of defined benefit plans disclosed under OCI	-
Movements in working capital:	
(Increase)/decrease in trade and other receivables	21,69,716
(Increase)/decrease in inventories	19,68,579
(Increase)/decrease in current other assets	11,41,959
(Increase)/decrease in current other financial assets	(14,93,956)
(Increase)/decrease in non current other financial assets	-
Increase/ (decrease) in trade and other payables	(30,34,731)
Increase/(decrease) in provisions	(17,125)
Increase/(decrease) in other liabilities	(7,34,018)
Cash generated from operations	**(12,89,341)**
Income taxes paid (net of refunds)	(36,659)
Net cash generated by operating activities	**(13,26,000)**
Cash flows from investing activities	
Interest Income	66,641
Net Movement in Bank Balance not considered as Cash & Cash equivalents	6,77,750
Net cash (used in)/generated by investing activities	**7,44,391**

Forbes Enviro Solutions Limited

Cash Flow Statement for the period ended 30th June2021

	Year ended June 30, 2021 ₹
Cash flows from financing activities	
Proceeds from shares issued during the year	-
Net increase / (decrease) in working capital borrowings	-
Interest expense	(4,29,318)
Lease Liability paid	(1,35,779)
Net cash used in financing activities	**(5,65,097)**
Net increase in cash and cash equivalents	**(11,46,706)**
Cash and cash equivalents at the beginning of the year	19,80,773
Cash and cash equivalents at the end of the year	**8,34,067**
Less: Bank Overdraft	-
Net Cash and cash equivalents at the end of the year	**8,34,067**

For and on behalf of the Board of Directors of

Forbes Enviro Solutions Limited

Marzin R Shroff
Director
(DIN: 00642613)

R.S.Moorthy
Director
(DIN: 02706251)

Place: Mumbai
Date: August 2, 2021

Statement of changes in equity for the period ended June 30, 2021

₹

a. Equity share capital	No.of Shares	Amount ₹
Balance at April 1, 2020	48,27,263	4,82,72,630
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	48,27,263	4,82,72,630
Changes in equity share capital during the year	-	-
Balance at June 30, 2021	48,27,263	4,82,72,630

B. Other Equity

	Attributable to Owners		
		Items Of Other Comprehensive Income	Total Other Equity
	Retained earnings	Remeasurement of Employee benefit	
	₹	₹	₹
Balance at 1st April 2020	(3,07,45,918)	-	(3,07,45,918)
Profit for the year	(1,63,04,520)		(1,63,04,520)
Other comprehensive income for the year, net of income tax	-	1,63,381	1,63,381
Transfer to retained earnings	1,63,381	-	-
Total comprehensive income for the year 31st March 2021	**(4,68,87,057)**	**-**	**(4,68,87,057)**
Profit for the year	(18,96,534)	-	(18,96,534)
Other comprehensive income for the year, net of income tax	-	-	-
Total comprehensive income for the year 30th June 2021	**(18,96,534)**	**-**	**(18,96,534)**
Transfer to retained earnings	-	-	-
Balance as at 30th June 2021	**(4,87,83,591)**	**-**	**(4,87,83,591)**

For and on behalf of the Board of Directors of
Forbes Enviro Solutions Limited

Marzin R Shroff
Director
(DIN: 00642613)

R.S.Moorthy
Director
(DIN: 02706251)

Place: Mumbai
Date: August 2, 2021

Notes to the financial statements for the period ended 30th June2021

1.Background

Forbes Enviro Solutions Limited is a limited company incorporated in India. Its parent Company is Eureka Forbes Limted and ultimate holding company is Shapoorji Pallonji and Company Private Ltd

Registered office is at B1/ B2 Marathon Innova, Off Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. The Company is engaged in manufacturing and trading of Water and Waster Water Treatment plants and taking OEM's and Trading of Packaged Drinking Water etc.

2. Basis of preparation

a. Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 4th June, 2021.

Details of the Company's accounting policies are included in Note 3.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency.

c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities and defined benfit plan assets measured at fair value.

d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 3(c)(iii) and 4 – useful life of Property, plant and equipment
- Note 3(d)(iii) and 5 – useful life of Intangible assets
- Note 3(g) and 29 – employee benefit plans
- Note 3(h) and 32 – provisions and contingent liabilities
- Note 3(l) and 27 – Income taxes
- Note 3(j) and 31 – Lease classification

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2021 is included in the following notes:

-Note 16 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

-Note 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

e. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes the finance team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Board of Directors.

The finance team regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:
- Note 36 – financial instruments.

3. Significant accounting polices

a. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of the equity investments which are recognised at fair value through OCI (FVOCI).

b. Financial instruments

i. *Recognition and initial measurement*

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.
A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. ***Classification and subseauent measurement***

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company does not have any financial assets within this category.

On initial recognition of an equity investment that is not held for trading, the Company has elected to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment- by- investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. The Company does not have any financial assets within this category.

Financial assets: Subsequent measurement and gains and losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

- Financial assets at amotised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

-Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

-Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. The Company does not have any fixed liabilities under the category of FVTPL.

iii. ***Derrecogniton***

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. ***Offsetting***

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is recognised in the statement of profit and loss.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset	Management estimate of useful life	As per Schedule II of Companies Act
Plant and machinery	15yrs	15yrs
Office equipments	3- 5yrs	5yrs
Furniture and fixtures	10yrs	10yrs
Computers	3yrs	3yrs
Vehicles- Motor car	8 yrs	8yrs
Vehicle- Motor bike	10 yrs	10yrs
Electric fittings	10yrs	10yrs

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on internal assessment and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

d. Intangible assets

i. Acquired intangible

Intangible assets comprise purchased computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful live is as follows:

- Software 5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

e. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity. (refer note 9)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

f. Impairment

i. Impairment of financial instruments

The Company recognises loss allowances for expected credit loss on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for the following, which are measured as 12 month expected credit losses:
- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The Company follows ‘simplified approach’ for recognition of impairment loss allowance for trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward- looking information.

ii. Impairment of non-financial assets

The Company’s non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a *pro rata* basis.

An impairment loss in respect of assets other than goodwill for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. Employee benefits

i. ***Short-term employee benefits***

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. ***Defined contribution plans***

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund and Employee State Insurance scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

h. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assumptions of the time value of money and the risks specific to the liability. The unwinding of discount is recognized as finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A provision for onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

i. Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This *inter alia* involves discounting of the consideration due to the present value if payment extends beyond normal credit terms. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

J.Impact of initial application of Ind AS 116 Leases

On 30 March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116, 'Leases' as part of the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2019. Ind AS 116 replaces existing standard on leases i.e. Ind AS 17, Leases with effect from 1st April, 2019 (The initial accounting application date).

Ind AS 116 sets out principles for the recognition, measurement, presentation and disclosure of leases. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. For all leases except as noted above, a lessee is required to recognise a right-of-use asset (ROU Asset) representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments in the balance sheet. Lessee will recognise depreciation of right-of-use assets and interest on lease liabilities in the statement of profit and loss.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for Premises. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains,a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

The lease payments that are not paid at the commencement date are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

As a practical expedient, Ind AS 116 permits a lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The Company has entered into lease arrangements as a lessee for premises for operating customer relationship center , guest houses, head office and regional offices , residential premises for their employees so as to help the employees to get settled to new location and warehouse for receiving, storing and dispatch of goods.The average term of leases entered into is 3 years. Incase of warehouses, on the basis of past practice the entire period of the contract has been considered for lease term depending on the reasonable certainty to continue with the same service provider. Generally, these lease contracts do not include extension or early termination options.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of Profit and Loss.

The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Ind AS 116 does not change substantially how a lessor accounts for leases. Under Ind AS 116, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, Ind AS 116 has changed and expanded the disclosures required, in particular with regard to how a lessor manages the risks arising from its residual interest in leased assets.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

k. Recognition of interest income or expense

Interest income or expense is recognised using the effective interest method.

The ‘effective interest rate’ is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

l. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Notes to the financial statements for the period ended 30th June2021

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable Company, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

m. Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjusting for the effects of all potential dilutive ordinary shares.

n. Recent accounting pronounecements

On 24 July 2020, the Ministry of Corporate Affairs (MCA) had issued amendments to certain Ind AS as follows:

i. Ind AS 103 - Business Combinations:

The definition of the term “business” has been revised. An optional test has been introduced to identify concentration of fair value to permit a simplified assessment of whether an acquired set of activities and assets is not a business. Additional guidance with elements of business and on assessing whether an acquired process is substantive. An entity is required to apply the amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after the 1 April 2020 and to asset acquisitions that occur on or after the beginning of that period. There was no impact on the financial statements of the Company on adoption of the above amendments for the year.

ii. Ind AS 107 - Financial Instruments: Disclosures:

Additional disclosures have been introduced for uncertainties arising from interest rate benchmark reforms consequential to the hedge accounting related amendments in the Ind AS 109 – Financial Instruments. The Company did not have any transactions during the year to which these amendments were applicable.

iii. Ind AS 109 - Financial Instruments:

Temporary exceptions from applying specific hedge accounting requirements have been introduced for all hedging relationships directly affected by ‘interest rate benchmark reform’. (i.e. the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark rate). This amendment is effective for annual reporting periods beginning on or after 1 April 2020. The Company did not have any transactions during the year to which these amendments were applicable.

iv. Ind AS 116 - Leases:

A Practical expedient has been allowed to permit lessees to exclude COVID-19 related rent concessions to be treated as a lease modification. This amendment is applicable to the Company from annual reporting periods beginning on or after 1 April 2020. There were no rent concessions during the year and accordingly, there was no impact on the financial statements of the Company on adoption of the above amendments for the year.

v. Ind AS 1 - Presentation of Financial Statements and Ind AS 8 -Accounting Policies, Changes in Accounting Estimates and Errors (and consequential amendments to other Ind AS):

The definition of the term “material” has been revised and is applicable prospectively for annual periods beginning on or after 1 April 2020. Consequent to the revised definition of “material”, certain amendments were also notified in the Ind AS 10 - Events after the Reporting Period, Ind AS 34 - Interim Financial Reporting and Ind AS 37 -Provisions, Contingent Liabilities and Contingent Assets.

There was no impact on the financial statements of the Company on adoption of this amendment for the year.

vi. Standards issued but not yet effective:

As on the date of approval of these financial statements, there were no new standards or amendments which have been notified but not yet adopted by the Company and expected to have any material impact on the financial statements of the Company.

Notes to the financial statements for the year period June 30, 2021

4. Property, Plant & Equipments

Cost or deemed cost	**Furniture and fixtures**	**Computers**	**Electrical Fittings**	**Office Equipment**	**Total**
	₹	₹	₹	₹	₹
As at 01st April 2019	29,64,570	15,00,735	8,54,251	10,61,824	63,81,380
Additions	4,22,117	-	-	3,06,000	7,28,117
Deletions	-	-	-	-	-
As at 31 March 2020	33,86,687	15,00,735	8,54,251	13,67,824	71,09,497
Additions	-	-	-	-	-
Deletions	(2,88,359)	(3,36,227)	-	(1,71,922)	(7,96,508)
As at 31 March 2021	30,98,328	11,64,508	8,54,251	11,95,902	63,12,989
Additions	-	-	-	-	-
Deletions	-	-	-	-	-
As at 30 June 2021	30,98,328	11,64,508	8,54,251	11,95,902	63,12,989
Depreciation					
As at 01st April 2019	16,10,029	13,91,673	5,23,612	9,53,510	44,78,824
Deletions	-	-	-	-	-
Charge for the year	3,42,248	24,155	92,960	88,495	5,47,858
As at 31 March 2020	19,52,277	14,15,828	6,16,572	10,42,005	50,26,682
Deletions	(2,30,523)	(3,19,416)	-	(1,63,327)	(7,13,266)
Charge for the year	3,39,289	9,833	90,157	77,886	5,17,165
As at 31 March 2021	20,61,043	11,06,245	7,06,729	9,56,564	48,30,581
Deletions	-	-	-	-	-
Charge for the year	76,008	-	19,791	19,230	1,15,029
As at 30 June 2021	21,37,051	11,06,245	7,26,520	9,75,794	49,45,610
Net Block					
As at 31 March 2020	14,34,410	84,907	2,37,679	3,25,819	20,82,815
As at 31 March 2021	10,37,285	58,263	1,47,522	2,39,338	14,82,408
As at 30 June 2021	9,61,277	58,263	1,27,731	2,20,108	13,67,379

Notes to the financial statements for the year ended June 30, 2021

5. Other Intangible Assets

Cost or deemed cost	Computer Software ₹	Total ₹
As at 01st April 2019	15,22,701	15,22,701
Addition	-	-
Deletion	-	-
As at 31 March 2020	15,22,701	15,22,701
Addition	-	-
Deletion	(1,66,875)	(1,66,875)
As at 31 March 2021	13,55,826	13,55,826
Addition	-	-
Deletion	-	-
As at 30 June 2021	13,55,826	13,55,826
Amortisation		
As at 01st April 2019	14,17,521	14,17,521
Charge for the year	13,547	13,547
Deletion	-	-
As at 31 March 2020	14,31,068	14,31,068
Charge for the year	6,542	6,542
Deletion	(1,58,531)	(1,58,531)
As at 31 March 2021	12,79,079	12,79,079
Charge for the year	912	912
Deletion	-	-
As at 30 June 2021	12,79,991	12,79,991
Net Block		
As at 31 March 2020	91,633	91,633
As at 31 March 2021	76,747	76,747
As at 30 June 2021	75,835	75,835

Notes to the financial statements for the year ended June 30, 2021

Financial assets

6. Other Current Investments

Particulars	As at June 30, 2021	As at June 30, 2020
		₹
Unquoted Investments (all fully paid)		
(a) Investments in Mutual Funds at FVTPL 357.856 (previous year 357.856) units of ₹10/- fully paid up in Nippon India - Growth Plan Growth Option	2,39,522	1,37,184
TOTAL UNQUOTED INVESTMENTS at FVTPL	2,39,522	1,37,184

Notes to the financial statements for the period ended June 30, 2021

7. Trade receivables

Particulars	Non Current		Current	
	As at June 30, 2021	As at June 30, 2020	As at June 30, 2021	As at June 30, 2020
	-	₹		₹
Unsecured, considered good	-	-	1,22,95,403	1,67,81,539
Unsecured , Debts due from related parties (refer note 30 (II))	-	-	1,35,65,823	1,43,05,816
Less: Allowance for doubtful debts	-		44,70,417	31,23,482
Total	-	-	2,13,90,809	2,79,63,873

Notes to the financial statements for the year ended June 30, 2021

8. Other financial assets

Particulars	Non Current		Current	
	As at June 30, 2021	As at June 30, 2020	As at June 30, 2021	As at June 30, 2020
		₹		₹
Bank deposits with more than 12 months maturity (refer note 8(i))	1,50,495	17,22,841		-
Security deposits				
Security deposits - unsecured considered good - to related parties (refer note 30 (II))	10,000	10,000		-
Security deposits - unsecured considered good	9,67,173	10,21,630		-
Interest Accrued -				
On fixed deposits with Banks		2,92,305	6,096	6,736
Balance with statutory/ government authorities	1,32,15,836	33,78,102		-
	1,43,43,504	64,24,878	6,096	6,736

8.1 Current year amount of bank deposit of Rs.123,300/- (previous year Rs.126,091/-) is pledged as security towards the Overdraft facility with IDBI Bank of Rs.1,00,000/- (previous year Rs.1,00,000/-) at interest rate of 8.20% (previous year 8.20%). Out of the total Bank deposit pledged with IDBI Bank as of 31st March 2021 the amount of Rs.123,300/- is with maturity more than 12 months .

9. Inventories

Particulars	As at June 30, 2021	As at June 30, 2020
		₹
a) Inventories (lower of cost and net realisable value) #.		
Raw Material & Spares	1,20,47,089	2,00,64,829
Work in Progress	63,88,622	83,08,992
	1,84,35,711	2,83,73,821

Cost of Inventories recognised as an expense include Rs.308,167/- (2019-20 Rs.10,50,000/-) in respect of write - downs of inventory to net realisable value.

Notes to the financial statements for the year ended June 30, 2021

10. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

Particulars	As at June 30, 2021	As at June 30, 2020
		₹
Balances with Banks in current accounts	8,30,133	18,55,023
Cash on hand	3,934	61,145
Total Cash & Cash Equivalents	**8,34,067**	**19,16,168**
Bank Balances other than Cash & Cash Equivalents		
Deposits with original maturity of more than 3 months but less than 12 months	25,20,178	28,58,727
Total Bank Balances other than Cash & Cash Equivalents	**25,20,178**	**28,58,727**

11. Other assets

Particulars	Non Current		Current	
	As at June 30, 2021	As at June 30, 2020	As at June 30, 2021	As at June 30, 2020
		₹		₹
Prepaid expenses	-	-	1,78,295	2,56,259
Balance with statutory/ government authorities	-	-	-	1,20,64,011
Gratuity	-	-	9,25,764	1,72,207
Advance to Employees	-	-	2,81,987	3,39,019
Advances to Vendors - Considered Doubtful	-	-	18,59,493	19,56,799
Less: Provision for doubtful advances	-	-	11,50,743	-
	-	-	7,08,750	19,56,799
Total	-	-	20,94,796	1,47,88,295

Notes to the financial statements for the period ended June 30, 2021

12. Equity Share Capital

Particulars	As at June 30, 2021	As at June 30, 2020 ₹
Equity share capital	4,82,72,630	4,82,72,630
Total	4,82,72,630	4,82,72,630
Authorised Share capital :		
50,00,000 fully paid equity shares of ₹ 1	5,00,00,000	5,00,00,000
Issued and subscribed capital comprises:		
48,27,263 fully paid equity shares of ₹.1 (as at March 31, 2021: 48,27,263)	4,82,72,630	4,82,72,630
	4,82,72,630	4,82,72,630

12.1 Fully paid equity shares

Particulars	Number of shares	Share capital ₹
Balance at April 1, 2019	48,27,263	2,82,72,630
Add: Issued during the year	-	2,00,00,000
Less: Bought back during the year		-
Balance at March 31, 2020	48,27,263	4,82,72,630
Add: Issued during the year		-
Less: Bought back during the year		-
Balance at March 31, 2021	**48,27,263**	**4,82,72,630**
Add: Issued during the year	-	-
Less: Bought back during the year	-	-
Balance at June 30, 2021	**48,27,263**	**4,82,72,630**

Fully paid equity shares have a par value of ₹.10. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts) in the proportion of equity shares held by the shareholders.

12.2 Details of shares held by the holding company, the ultimate controlling party, their subsidiaries and associates

Particulars	Fully paid ordinary shares As at June 30, 2021	As at June 30, 2020
Balance at the beginning of the period - Held by Eureka Forbes Limited	48,27,263	48,27,263
Total as at the end of the period	**48,27,263**	**48,27,263**

12.3 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at June 30, 2021 Number of shares held	% holding in the class of shares
Fully paid equity shares		
Eureka Forbes Limited	48,27,263	100%
Total	**48,27,263**	**100%**

13. Other equity

Particulars	As at June 30, 2021	As at June 30, 2020 ₹
Retained earnings		
Balance at beginning of year	(4,68,87,057)	(3,07,45,918)
Add/ (less): Profit/ (loss) for the year	(18,96,534)	(36,06,976)
Add: Transfer from OCI	-	-
Balance at end of the year	**(4,87,83,591)**	**(3,43,52,894)**

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Notes to the financial statements for the period ended June 30, 2021

Financial Liabilities

14. Other financial liabilities

Particulars	Non Current As at June 30, 2021	Non Current As at June 30, 2020 ₹	Current As at June 30, 2021	Current As at June 30, 2020 ₹
(a) Interest accrued but not due on borrowings		-	3,83,696	-
(b) Deposits for Jars		-	6,32,440	6,32,440
(c) Others :-				
-Dues to employees		-	16,22,606	23,99,752
-Dues to Others		-	19,59,286	26,82,928
(d) Statutory liabilities (Contributions to PF,Pension, ESIC,withholding Taxes,VAT,GST etc.)		-	2,06,527	17,10,461
Total	-	-	48,04,555	74,25,581

15. Provisions

Particulars	Non Current As at June 30, 2021	Non Current As at June 30, 2020 ₹	Current As at June 30, 2021	Current As at June 30, 2020 ₹
Employee benefits on Compensated absence	2,01,872	2,59,805	65,882	-
Provision for Warranty (see 15.1)		-	43,560	81,030
Total	2,01,872	2,59,805	1,09,442	81,030

15.1 Provision for Warranty

The company gives warranty on certain products, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Warranty provisions are made for expected future outflows where no reimbursements are expected and estimated based on using historical information on the nature frequency and average cost of warranty claims. The Table given below gives information about movement in warranty provisions.

Particulars	As at June 30, 2021	As at June 30, 2020 ₹
At the beginning of the year	78,028	78,028
Additions during the year	43,560	3,002
Utilization during the year	-	-
Amount reversed /(utilisation) during the year	78,028	-
At the end of the year	43,560	81,030

16. Other Liabilities

Particulars	Non Current As at June 30, 2021	Non Current As at June 30, 2020 ₹	Current As at June 30, 2021	Current As at June 30, 2020 ₹
(a) Advance received from Customers		20,81,475	10,57,390	16,87,525
Total	-	20,81,475	10,57,390	16,87,525

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17. Current Borrowings

Particulars	As at June 30, 2021	As at June 30, 2020
Unsecured - at amortised cost		
(a) Loans repayable on demand from related party (refer note (i) below)	1,50,00,000	1,50,00,000
Total	1,50,00,000	1,50,00,000

(i) Amounts repayable to related parties of the Group. Interest of 11.40% per annum is charged on the outstanding loan balances (as at March 31, 2020 11.40%).

18. Trade payables

Particulars	Non Current		Current	
	As at June 30, 2021	As at June 30, 2020 ₹	As at June 30, 2021	As at June 30, 2020 ₹
Trade payables - MSME (Refer note below 18.1 for dues to Micro and Small Enterprises)		-	22,08,786	4,86,42,592
Trade payables (including acceptances)		-	4,19,34,399	33,53,505
Trade payables to related parties (refer note 30 (II))		-	5,49,643	2,01,761
Total	**-**	**-**	**4,46,92,828**	**5,21,97,858**

The average credit period for purchase of certain goods is 60-90 days. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

19. Income tax assets and liabilities

Particulars			Current	
	As at June 30, 2021	As at June 30, 2020 ₹	As at June 30, 2021	As at June 30, 2020 ₹
Current tax assets (Net)				
Advance income-tax (Net of provision of taxation)	43,08,504	1,00,92,366		-
Total	43,08,504	1,00,92,366		-
Current tax Liabilities				
Provision for Taxation (Net of Advance Tax)	-	-	2,61,275	36,32,490
Total	-	-	2,61,275	36,32,490

Notes to the financial statements for the period ended June 30, 2021

20. Revenue from operations

Particulars	For the period June 30, 2021 ₹	For the period June 30, 2020 ₹
(a) Sale of - Products	1,02,82,093	14,40,83,792
- Traded Goods	1,83,727	45,04,307
(b) Sale of services	7,27,033	1,48,27,169
Total	**1,11,92,853**	**16,34,15,268**

21. Other Income and other gains/ (losses)

21.1 Other Income	For the period June 30, 2021 ₹	For the period June 30, 2020 ₹
Interest on Bank deposits (at amortised cost)	66,873	3,20,815
Interest on Income Tax Refund	-	-
Others - Misc Receipts	-	2,27,108
Total	**66,873**	**5,47,923**

21.2 Other gains/(losses)	For the period June 30, 2021 ₹	For the period June 30, 2020 ₹
Net foreign exchange gains/(losses)	-	-
Net gain/(loss) arising on financial assets measured at FVTPL	-	(50,519)
Total	**-**	**(50,519)**
Total (21.1+ 21.2)	**66,873**	**4,97,404**

22. Cost of materials consumed

Particulars	For the period June 30, 2021 ₹	For the period June 30, 2020 ₹
Inventory at the beginning of the year	1,47,41,957	1,67,25,762
Add:- Purchases	64,26,980	12,85,59,717
Less:- Inventory at the end of the year	(1,20,47,089)	(2,00,64,829)
Cost of Raw Material & Components consumed	91,21,848	12,52,20,650
Purchase of traded products	80,028	45,14,490
Changes in inventories of finished goods, work-in-progress and stock-in-trade.	(7,26,289)	(1,24,52,828)

23. Employee benefits expense

Particulars	For the period June 30, 2021 ₹	For the period June 30, 2020 ₹
Salaries and Wages	26,07,257	1,64,19,984
Contribution to provident and other funds	1,27,282	8,83,789
Staff Welfare Expenses	-	4,15,552
Total	**27,34,539**	**1,77,19,325**

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24. Finance costs

	For the period June 30, 2021	For the period June 30, 2020
	₹	₹
Bank Charges	2,643	3,75,920
Interest on bank overdrafts and loans (other than those from related parties)	346	588
Bill Discounting Charges	-	9,33,228
Unwinding Interest on lease liabilities	1,409	59,500
Interest on ICD from holding company	4,26,329	26,57,918
Total	**4,30,727**	**40,27,154**

25. Depreciation and amortisation expense

Particulars	For the period June 30, 2021	For the period June 30, 2020
	₹	₹
Depreciation of property, plant and equipment (Note 4)	1,15,029	5,47,858
Amortisation of Right of use Assets	1,26,974	8,50,742
Amortisation of intangible assets (Note 5)	912	13,547
Total depreciation and amortisation pertaining to continuing operations	**2,42,915**	**14,12,147**

26. Other expenses

Particulars	For the period June 30, 2021	For the period June 30, 2020
	₹	₹
Electricity	15,609	7,99,340
Rent	2,53,561	16,52,416
Repairs and Maintenance - Others	11,400	3,54,352
Insurance	58,067	5,64,374
Selling and Sales Promotion	-	60,000
Freight, Forwarding and Delivery	5,600	75,63,899
Payment to Auditors (Refer details Below)	1,50,000	6,72,701
Printing and Stationery	4,650	1,41,838
Communication cost	50,880	5,34,769
Travelling and Conveyance	23,035	27,67,191
Legal and Professional Fees	85,055	6,45,962
Vehicle Running Expenses	-	16,665
Rates and taxes, excluding taxes on income	48,103	11,14,996
Service Charges	3,05,000	37,38,494
Loss on sale/Scrap of fixed assets (net)	-	-
Other Establishment Expenses	2,61,532	29,40,039
Bad Debts/Advances written off	-	79,790
Provision for Doubtful Debts/Advances	-	14,47,992
Total	**12,72,492**	**2,50,94,818**

Payments to auditors	For the period June 30, 2021	For the period June 30, 2020
	₹	₹
a) For audit	1,50,000	3,56,000
b) For taxation matters	-	87,500
c) For other services	-	45,000
d) Limited Review Fees	-	1,50,000
e) For reimbursement of expenses	-	34,201
Total	**1,50,000**	**6,72,701**